

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 7, 2009

CAO File No. 0220-02221-8325

Council File No.

Council District: All

To: The Mayor
The Council

From: Raymond P. Ciranna, Acting City Administrative Officer

Reference: 2008-09 Adopted Budget

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

SUMMARY

The City Administrative Officer (CAO) requests authority to proceed with a \$75 million bond issuance for the acquisition of containers, equipment and vehicles for the City's Solid Waste Collection Program, as approved in the 2008-09 Adopted Budget. Repayment of the resulting debt service will come from the Solid Waste Resources Revenue Fund (formerly Sanitation Equipment Charge Special Revenue Fund).

While authority for this bond issuance was included in the 2008-09 Adopted Budget (C.F. 08-0600), our Office did not proceed with the issuance for several months due to the volatility and uncertainty in the financial markets. As the financial markets have recently stabilized, we now recommend that the City proceed with the bond issuance.

The \$75 million in bonds are anticipated to be applied as follows:

Project Costs	\$ 65,424,000
Reserve Fund	6,975,000
Underwriter's Discount	368,290
Costs of Issuance	257,200
Contingency	<u>1,975,510</u>
Total Authorization Requested	<u>\$ 75,000,000</u>

While it appears likely that the amount of bonds required for this financing will total approximately \$73 million, we recommend the approval of \$75 million in bond authority to allow for market uncertainties. This recommendation, to allow for market uncertainties, is consistent with previously approved bond financings.

(Summary continued)

The Bureau of Sanitation (BOS) indicates that the \$65.4 million in project costs will be used to acquire vehicles (\$38.5 million), containers (\$18.5 million) and equipment (\$8.4 million).

To proceed with the bond issuance, we recommend that the \$75 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 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).

The issuance of the proposed bonds will not result in the City exceeding its debt ceiling limits as the bonds will be repaid from the Solid Waste Resources Revenue Fund 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.

Debt service has first call on monies in the Solid Waste Resources Revenue Fund. The Fund has sufficient monies to support the \$36 million of average annual debt service on existing bonds, and the \$2.7 million in 2009-10 debt service resulting from the proposed bond issuance.

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, 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 a Fund Ordinance, which will be submitted by the City Attorney under separate cover. Additionally, the Council will need to adopt an Authorizing Resolution (Attachment B) which incorporates a Supplemental Trust Agreement (Attachment C), a Bond Purchase Agreement (Attachment D), a Preliminary Official Statement (Attachment E) and a Continuing Disclosure Certificate (Attachment F).

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 \$75 million in bonds.

FISCAL IMPACT STATEMENT

There is no fiscal impact on the General Fund as a result of the proposed \$75 million Solid Waste Resources Revenue Bonds Issuance, Series 2009-A as average annual debt service will be paid from the Solid Waste Resources Revenue Fund.

DEBT IMPACT STATEMENT

The issuance of the proposed \$75 million in Solid Waste Resources Revenue Bonds, Series 2009-A 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.

RPC:MV:09100021

Attachments

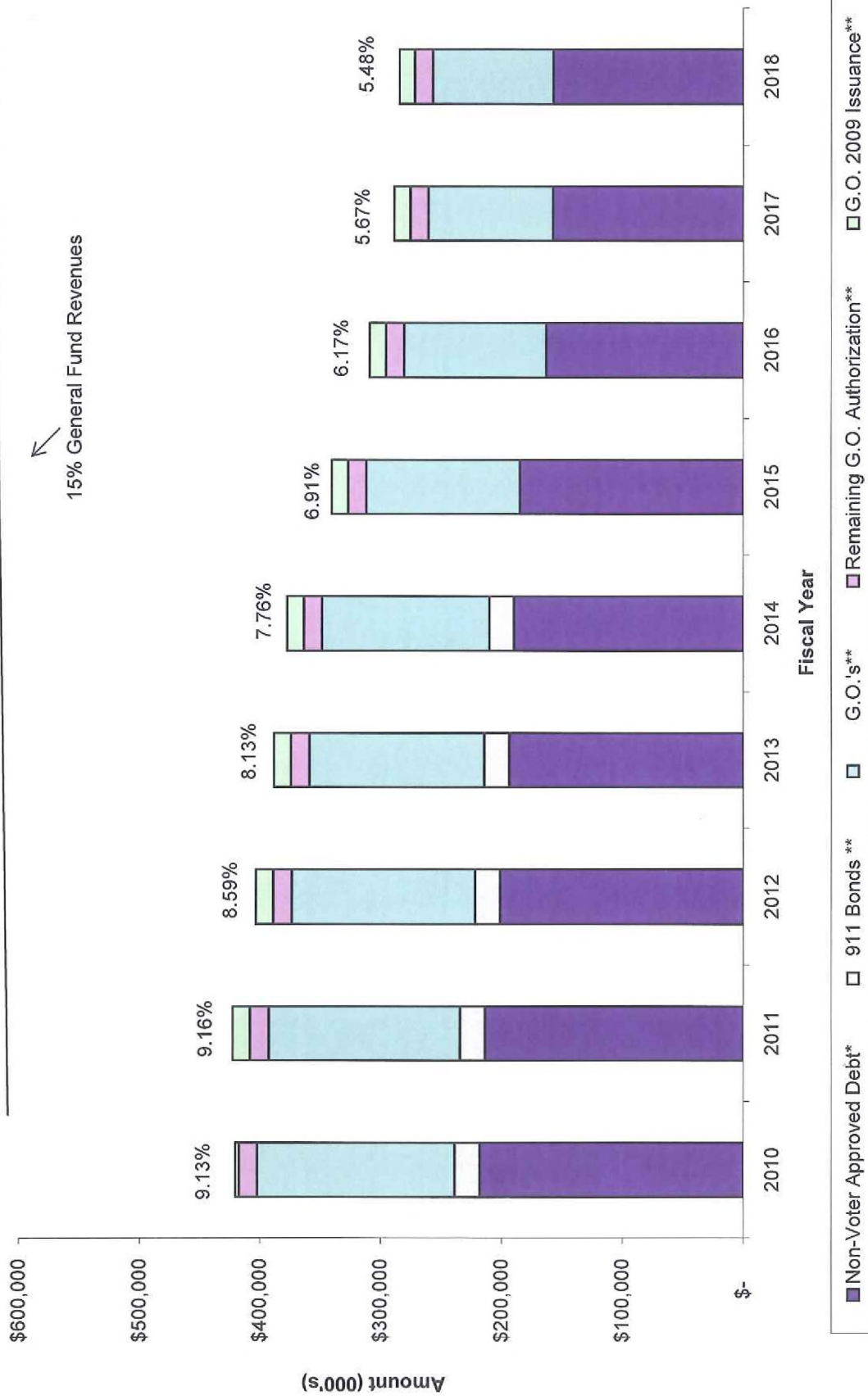
ATTACHMENT A

DEBT CHART

VOTER APPROVED AND NON-VOTER APPROVED DEBT

August 2009

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



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

ATTACHMENT B

RESOLUTION

**RESOLUTION OF THE CITY OF LOS ANGELES,
CALIFORNIA AUTHORIZING THE ISSUANCE OF
REVENUE BONDS IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED
\$75,000,000 TO BE SECURED BY THE SOLID
WASTE RESOURCES SPECIAL REVENUE FUND,
APPROVING A SEVENTH 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, the Council has determined that the public interest and necessity now require the issuance of bonds in the aggregate principal amount not to exceed \$75,000,000 to finance the acquisition of certain solid waste containers, equipment and vehicles (collectively, the "Project"); 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, 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 \$293,590,000 (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 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 Bonds on a competitive basis;

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

1. a form of Seventh Supplemental Trust Agreement (the "Seventh Supplement"), by and between the City and the Trustee;
2. a form of Bond Purchase Agreement (the "Bond Purchase Agreement"), by and between the City and the underwriter named therein;
3. a form of Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"); and
4. a form of Continuing Disclosure Certificate; and

WHEREAS, said documents will be modified and amended to reflect the various details applicable to the Bonds and said documents are subject to completion to reflect the results of the sale of the 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 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 Bonds would be undesirable and impractical and it is in the best financial interests of the City to sell the Bonds through a private negotiated sale pursuant to the terms and provisions set forth in the Bond Purchase Agreement with the Underwriters.

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 \$75,000,000 aggregate principal amount of its Solid Waste Resources Revenue Bonds, Series 2009-A (the "Bonds") in order to finance the Project, such Bonds to be issued under the Master Trust Agreement, as amended and supplemented, including as amended and supplemented by the Seventh Supplement (collectively, the "Trust Agreement").

The maximum term of the Bonds shall be 20 years. The 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 Bonds shall have a true interest cost not in excess of seven percent (7%). The true interest cost is the annual discount rate which, when used to discount all debt service payments on the Bonds to the date of initial delivery of the Bonds, compounded semiannually, results in the aggregate present value of such debt service payments being equal to the original purchase price. The 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 Bonds shall be made at the place or places, on such dates and in the manner provided in the Trust Agreement. The Bonds shall be available in denominations of \$5,000 and integral multiples thereof. The Bonds shall be dated as shall be provided in the final form of the Seventh Supplement. The 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 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 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 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 Bonds.

4. Form of Bonds. The Bonds and the Trustee's Certificate of Authentication to appear thereon shall be in substantially the forms set forth in Exhibit A to the Seventh 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 Bonds and the obligations represented thereby. The 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 Seventh 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 Seventh Supplement in connection with the issuance and delivery of the 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 Bond Purchase Agreement presented to this meeting 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 Bond Purchase Agreement in connection with the issuance and delivery of the Bonds in substantially the form presented to this meeting, with such changes, modifications and additions thereto as the Authorized Representative executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

(c) The form of Preliminary Official Statement presented to this meeting is hereby approved for use and distribution in connection with the offering and sale of the 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 amendment 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 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.

(d) The form and provisions of the Continuing Disclosure Certificate 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 Continuing Disclosure Certificate in connection with the issuance and delivery of the Bonds in substantially the form presented to this meeting, with such changes, modifications and additions thereto 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 Bonds shall be sold at private negotiated sale pursuant to the terms of the Bond Purchase Agreement substantially in the form hereinabove approved pursuant to this Resolution at a price not less than 99% 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 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 Bonds or with any provider of a surety bond covering all or a portion of the reserve fund for the 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 Bonds, said notice to be provided not later than 30 days prior to the sale of the 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 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 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 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 Bonds 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 obtaining bond insurance for the Bonds and executing the Tax Certificate required by the Seventh 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 TRUTANICH,
City Attorney

By _____
Assistant/Deputy City Attorney

Council File No. _____

ATTACHMENT C

SUPPLEMENTAL TRUST AGREEMENT

SEVENTH SUPPLEMENTAL TRUST AGREEMENT

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

and

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

Dated as of August 1, 2009

Relating to

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

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SEVENTH SUPPLEMENTAL TRUST AGREEMENT

Relating to

\$[]

City of Los Angeles, California

Solid Waste Resources Revenue Bonds, Series 2009-A

This SEVENTH SUPPLEMENTAL TRUST AGREEMENT, dated as of August 1, 2009 (this "Seventh 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 (the "Original Master Trust Agreement"), by and between the City and the Trustee, as successor trustee to State Street Bank and Trust Company of California, N.A. and as so amended and supplemented from time to time, 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, by execution and delivery of this Seventh Supplemental Trust Agreement and in compliance with the provisions of the Master Trust Agreement, the City hereby provides for the issuance and sets forth the terms of \$[] aggregate principal amount of its Solid Waste Resources Revenue Bonds, Series 2009-A (the "Series 2009-A Bonds"), provides for the deposit and use of the proceeds of the Series 2009-A Bonds and makes other provisions relating to the Series 2009-A Bonds; and

WHEREAS, the City has determined that the Series 2009-A 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 Seventh Supplemental Trust Agreement, all conditions and requirements for the issuance of the Series 2009-A 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 Seventh 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-A Bonds, including but not limited to the initial fees and expenses of the Trustee and Trustee's counsel, the fees and expenses of Bond Counsel, Disclosure Counsel and the Financial Advisor, rating agency fees, printing costs and related expenses.

"Initial Reserve Fund Requirement" for the Series 2009-A Bonds shall mean the sum of \$[].

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

“Project” means, collectively, the acquisition of certain solid waste containers, equipment and vehicles, or such other capital improvements which may be funded by the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee as determined by the City.

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

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

“Series 2009-A Acquisition Fund” means the fund by that name created pursuant to Section 5.3 hereof.

“Series 2009-A Costs of Issuance Fund” means the fund by that name created pursuant to Section 5.2 hereof.

“Seventh Supplemental Trust Agreement” means this Seventh Supplemental Trust Agreement, dated as of August 1, 2009, between the City and the Trustee, which sets forth the terms of the Series 2009-A Bonds.

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

Section 1.2. Incorporation of Definitions Contained in the Master Trust Agreement. Except as otherwise provided in Section 1.1 of this Seventh 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 Seventh Supplemental Trust Agreement.

ARTICLE II

THE SERIES 2009-A BONDS

Section 2.1. Designation of the Bonds; Principal Amount. The Bonds authorized to be issued under the Master Trust Agreement and this Seventh Supplemental Trust Agreement shall

be designated as "City of Los Angeles, California Solid Waste Resources Revenue Bonds, Series 2009-A" and shall be issued in the aggregate original principal amount of \$[_____].

Section 2.2. Series 2009-A Bonds Under the Master Trust Agreement; Security. The Series 2009-A 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 Seventh Supplemental Trust Agreement.

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

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

(b) The Series 2009-A Bonds shall, upon initial issuance, be dated the date of issuance. Each Series 2009-A Bond shall bear interest from the Payment Date next preceding the date of authentication thereof unless such date of authentication is a Payment Date, in which event such Series 2009-A Bond shall bear interest from such date of authentication or unless such date of authentication is after a Record Date and prior to the subsequent Payment Date, in which event such Bond shall bear interest from said subsequent Payment Date or unless such date of authentication is on or before January 15, 2010, in which event such Bond shall bear interest from the initial date of issuance. If interest on the Series 2009-A Bonds shall be in default, Series 2009-A Bonds issued in exchange for Series 2009-A Bonds surrendered for transfer or exchange shall bear interest from the Payment Date to which interest has been paid in full on the Series 2009-A Bonds surrendered.

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

The Series 2009-A Bonds shall mature in the years and in the amounts and bear interest at the annual rates as set forth in the following schedule:

<u>February 1 of the Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
20[]	\$	%
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		
20[]		

(d) Payment of principal of the Series 2009-A Bonds shall be made upon surrender of the Series 2009-A Bonds to the Trustee or its agent, and payment of interest on any Series 2009-A Bond shall be made to such person as is, on the Record Date, the registered Owner thereof and shall be paid by check of the Trustee mailed on the Payment Date to such person at his address as it appears on the registration books of the Registrar or at such other address as is furnished to the Registrar in writing by such registered Owner provided, however, that if an Owner of \$1,000,000 or more in principal amount of 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-A Bonds shall be substantially in the form of Exhibit A, which is part of this Seventh Supplemental Trust Agreement.

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

(a) Series 2009-A Bonds which are delivered to the Registrar for exchange may be exchanged for an equal total principal amount of Series 2009-A Bonds of the same maturity but of different authorized denominations.

(b) The Registrar will not, however, be required to transfer or exchange any such Bond during the period established by the Trustee for the selection of Bonds for redemption, any Series 2009-A 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-A Bonds be redeemed pursuant to any optional redemption provision in this Seventh Supplemental Trust Agreement and in the Series 2009-A Bonds, the City will notify the Trustee of the applicable provision, the redemption date, the principal amount of Series 2009-A Bonds to be redeemed and other necessary particulars. The City will give the 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-A 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 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-A Bonds to be redeemed pursuant to any optional redemption provision in the Series 2009-A Bonds and the following Section 3.3 will be a date permitted thereby and specified by the City in the notice delivered pursuant to Section 3.1.

Section 3.2. Optional Redemption of the Series 2009-A Bonds. The Series 2009-A 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-A Bonds so redeemed shall be redeemed at the principal amount of such Series 2009-A Bonds, without premium, plus accrued interest to the date fixed for redemption.

Section 3.3. Mandatory Sinking Fund Redemption of the Series 2009-A Bonds. The Series 2009-A Bonds are not subject to mandatory sinking fund redemption.

Section 3.4. Payment of Series 2009-A Bonds Called for Redemption. Upon surrender to the Trustee or the Trustee's agent, Series 2009-A Bonds called for redemption shall be paid at the redemption price stated in the notice, plus interest accrued to the redemption date.

Section 3.5. Selection of Series 2009-A Bonds for Redemption; Series 2009-A Bonds Redeemed in Part.

(a) Series 2009-A Bonds are subject to redemption in such order of maturity as the City may direct and by lot, selected in such manner as the Trustee shall deem appropriate, within a maturity.

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

ARTICLE IV

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

Section 4.1. Application of Proceeds.

(a) The proceeds of the sale of the Series 2009-A 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-A Account of the Reserve Fund (equal to the Initial Reserve Fund Requirement for the Series 2009-A Bonds);

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

(3) the sum of \$[] shall be transferred to the City to be credited to the Series 2009-A Acquisition Fund.

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

ARTICLE V

CREATION OF SERIES 2009-A FUNDS AND ACCOUNTS

Section 5.1. Creation of Series 2009-A 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-A 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-A 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 Seventh Supplemental Trust Agreement.

Section 5.2. Creation of Series 2009-A Costs of Issuance Fund and 2009-A 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-A Costs of Issuance Fund" (the "Series 2009-A Costs of Issuance Fund") which fund shall be held and

administered by the Trustee in the manner set forth in this Section 5.2. The City shall cause a portion of the proceeds of the Series 2009-A Bonds to be deposited into the Series 2009-A 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-A Bonds, pursuant to requisitions in substantially the form attached hereto as Exhibit C. Any unexpended moneys remaining in the Series 2009-A Costs of Issuance Fund on [March 1, 2010] shall be transferred by the Trustee for deposit to the Series 2009-A Interest Subaccount of the Debt Service Fund, and said subaccount along with a Series 2009-A Principal Subaccount within the Debt Service Fund is hereby created and shall be held by the Trustee pursuant to the Master Trust Agreement.

Interest earnings on amounts held in the Debt Service Fund, the Series 2009-A Costs of Issuance Fund, the Series 2009-A Interest Subaccount, the 2009-A Principal Subaccount and the Series 2009-A 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.

Section 5.3. Creation of Series 2009-A Acquisition Fund. Pursuant to Section 4.08 of the Master Trust Agreement, a special fund is hereby created and designated the "City of Los Angeles, California Solid Waste Resources Revenue Bonds, Series 2009-A Acquisition Fund" (the "Series 2009-A Acquisition Fund"), which fund shall be held and administered by the City in the manner set forth in this Section 5.3. The City shall cause a portion of the proceeds of the Series 2009-A Bonds to be deposited in to the Series 2009-A Acquisition Fund in the amount set forth in Section 4.1(a)(3) hereof and shall from time to time expend such moneys solely to pay Costs of the Project. Any unexpended moneys remaining in the Series 2009-A Acquisition Fund on [August 1, 2012] (or such earlier or later date as the City may determine, consistent with the Tax Certificate) shall be transferred by the City to the Trustee for deposit to the Series 2009-A Principal Subaccount of the Debt Service Fund. The City shall provide written notice to the Trustee specifying the amount of any such moneys transferred from the Series 2009-A Acquisition Fund, and directing the Trustee to deposit such amount into the Series 2009-A Principal Subaccount of the Debt Service Fund.

Interest earnings on amounts held in the Series 2009-A Acquisition Fund shall be retained therein and used along with the other monies held in such fund for the purposes specified herein and in the Master Trust Agreement.

ARTICLE VI

TAX COVENANTS

Section 6.1. Series 2009-A Rebate Fund.

(a) General. The Trustee shall establish a special fund designated the "Series 2009-A 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 Seventh Supplemental Trust Agreement

and shall be governed by this Section and Section 6.2 of this Seventh 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-A 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-A 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-A Bonds. Any funds remaining in the Rebate Fund after redemption of all the Series 2009-A 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-A 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-A 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-A Bonds.

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

Section 6.2. Tax Covenants

(a) General. The City hereby covenants with the holders of the Series 2009-A Bonds that, notwithstanding any other provisions of this Seventh 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-A 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-A Bonds or any of the property financed or refinanced with proceeds of the Series 2009-A 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-A 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-A 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-A Bonds or any of the property financed or refinanced with proceeds of the Series 2009-A Bonds, or any portion thereof, or any other funds of the City, that would cause the Series 2009-A Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. To that end, so long as any Series 2009-A 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-A 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-A 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-A 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-A Bonds.

(d) Federal Guarantee. The City shall not make any use of the proceeds of the Series 2009-A Bonds or any other funds of the City, or take or omit to take any other action, that would cause the Series 2009-A 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-A 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-A Bonds issued pursuant to this Seventh Supplemental Trust Agreement:

“Failure of the City to comply with Section 6.2 of the Seventh 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

AMENDMENTS TO MASTER TRUST AGREEMENT

Section 9.1. Amendment to Test for Issuance of Bonds. Pursuant to Section 9.02(g) of the Master Trust Agreement, Section 2.09 of the Master Trust Agreement is hereby amended by deleting the references to “one hundred ten percent (110%)” and substituting therefor, “one hundred twenty-five percent (125%).”

Section 9.2. Amendment to Correct Cross-Reference in Reserve Fund Provision. Pursuant to Section 9.02(b) of the Master Trust Agreement, Section 4.07(c) of the Master Trust Agreement is hereby amended by deleting the reference to “Section 4.04 of this Master Trust Agreement” and substituting therefor the following: “Section 4.04 or 4.06, as applicable, of this Master Trust Agreement”.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Seventh Supplemental Trust Agreement or the Series 2009-A Bonds must be in writing except as expressly provided otherwise in this Seventh Supplemental Trust Agreement or the Series 2009-A 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 Seventh 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 10.2. Limitation of Rights. Nothing expressed or implied in this Seventh Supplemental Trust Agreement or the Series 2009-A Bonds shall give any person other than the Trustee, City and the holders of the Series 2009-A Bonds any right, remedy or claim under or with respect to this Seventh Supplemental Trust Agreement.

Section 10.3. Severability. If any provision of this Seventh Supplemental Trust Agreement shall be determined to be unenforceable, that shall not affect any other provision of this Seventh Supplemental Trust Agreement.

Section 10.4. 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 10.5. Governing Law. This Seventh Supplemental Trust Agreement shall be governed by and construed in accordance with the laws of the State.

Section 10.6. Captions. The captions in this Seventh Supplemental Trust Agreement are for convenience only and do not define or limit the scope or intent of any provisions or Sections in this Seventh Supplemental Trust Agreement.

Section 10.7. Amendments. This Seventh Supplemental Trust Agreement may only be amended in accordance with Article IX of the Master Trust Agreement.

Section 10.8. Counterparts. This Seventh Supplemental Trust Agreement may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

Section 10.9. 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 Seventh 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-A 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-A**

INTEREST RATE

MATURITY

DATED DATE

CUSIP

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-A" (hereinafter called the "Series 2009-A 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 financing 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 the City and State Street Bank and Trust Company of California, as predecessor trustee, as amended and supplemented, and a Seventh Supplemental Trust Agreement, dated as of August 1, 2009, by and between the City and the Trustee (collectively, the "Trust Agreement").

Pledge of Revenues; Security. The Series 2009-A Bonds are special, limited obligations of the City and are secured solely by and payable from a pledge of the Revenues and, subject to application of amounts on deposit therein as permitted in the Trust Agreement, the SWR Revenue Fund and the other funds and accounts created under the Trust Agreement for the payment of the Series 2009-A 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-A 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-A Bonds, for the nature, extent and manner of enforcement of such security, for the covenants and agreements made for the benefit of bondholders, and for a

statement of the rights of the bondholders, and by the acceptance of this 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-A Bonds. The City may issue additional debt on a parity with the Series 2009-A 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-A 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-A 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-A Bonds and any parity bonds issued under the Trust Agreement then Outstanding, exclusive of any Series 2009-A 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-A Bonds except as provided in the Trust Agreement. The Trustee may refuse to enforce the Trust Agreement or the Series 2009-A 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 _____, 20__.

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-A 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-A Bonds

Interest Payment Date	Principal	Interest	Total
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EXHIBIT C

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

REQUISITION NO. ____

with reference to

\$ _____

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

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 Seventh Supplemental Trust Agreement, dated as of August 1, 2009 (collectively, the "Trust Agreement"), each by and between the City and the Trustee, to pay from the moneys in the Series 2009-A 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-A 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-A Costs of Issuance Fund.

Dated: _____

CITY OF LOS ANGELES, CALIFORNIA

By _____
Title: _____

ATTACHMENT D

BOND PURCHASE AGREEMENT

\$ _____
City of Los Angeles
Solid Waste Resources Revenue Series 2009-A Bonds

BOND PURCHASE AGREEMENT

August __, 2009

City of Los Angeles
Office of the City Administrative Officer
200 North Main Street
15th Floor, City Hall East
Los Angeles, California 90012

Ladies and Gentlemen:

Stone & Youngberg LLC, as representative (the “**Representative**”) for itself and Cabrera Capital Markets, LLC (collectively, the “**Underwriters**”), hereby offers to enter into this agreement (the “**Bond Purchase Agreement**”) with the City of Los Angeles (the “**City**”) which, upon acceptance of this offer by the City, will be binding upon the City and the Underwriters. This offer is made subject to the written acceptance hereof by the City, and withdrawal by the Underwriters upon written or oral notice given to the City at any time prior to the acceptance hereof by the City.

1. **Purchase and Sale.** (a) Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriters, jointly and severally, hereby agree to purchase from the City at the Closing Time on the Closing Date (both as defined herein), and the City hereby agrees to sell and deliver to the Underwriters, \$_____ aggregate principal amount of its Solid Waste Resources Revenue Series 2009-A Bonds (the “**Series 2009-A Bonds**”). The Series 2009-A Bonds shall be dated the date of their delivery and shall mature on February 1 in the years and shall bear interest at the rates shown on Exhibit A hereto, and shall be subject to optional redemption and mandatory redemption from sinking fund payments in the amounts and on the dates shown in the Trust Agreement. Interest on the Series 2009-A Bonds shall be payable on February 1, 2010 and semiannually thereafter on February 1 and August 1 of each year to maturity. The aggregate purchase price for the Series 2009-A Bonds shall be \$_____, being the \$_____ aggregate principal amount thereof, less an Underwriters’ discount of \$_____ and [plus/less a net original issue premium/discount of \$_____]. (The date of such payment and delivery is referred to herein as the “**Closing Date**,” the hour and date of such delivery and payment is referred to herein as the “**Closing Time**,” and the other actions contemplated hereby to take place at the time of such payment and delivery being herein sometimes called the “**Closing**”).

(b) Simultaneously with the execution of this Bond Purchase Agreement, the Underwriters have delivered the amount of \$_____ (1% of par) in the form of a wire transfer to the City as a security deposit for the performance by the Underwriters of their obligations to accept and pay for the Bonds at the Closing as provided in Section 6 herein. Upon

the acceptance of this offer by the City, such security deposit and the proceeds thereof may be invested by the City with the consent of the Underwriters not to be unreasonably withheld. The security deposit shall be applied against the purchase price payable by the Underwriters at Closing. If the City fails to deliver the Bonds at the Closing, or if the City shall be unable to satisfy the conditions to the obligations of the Underwriters contained herein (unless waived by the Underwriters), or if the obligations of the Underwriters shall be terminated for any reason permitted by this Bond Purchase Agreement, then the original amount of the deposit (\$ _____) shall be immediately returned by the City to the Underwriters. If the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Bonds upon tender thereof by the City at the Closing as herein provided, the amount of such security deposit (including any interest earnings thereon) shall be retained by the City as and for full liquidated damages for such failure on the part of the Underwriters and such retention by the City shall constitute a full release and discharge of all claims and rights by the City against the Underwriters arising out of the transactions contemplated hereby. The parties hereto expressly agree and acknowledge that the City's actual damages in the event of a failure by the Underwriters (other than for a reason permitted hereunder) to accept and pay for the Bonds upon tender thereof by the City at the Closing would be extremely difficult or impracticable to ascertain and that the amount of the deposit represents the parties' reasonable estimate of such damages. In any and all actions brought to enforce the Underwriter's obligations under this Bond Purchase Agreement, it shall be conclusively presumed that the above-described liquidated damages shall be the sole remedy of the City.

2. **The Series 2009-A Bonds.** The Series 2009-A Bonds shall be described in, and shall be issued and secured pursuant to, the provisions of the Charter of the City and Ordinance No. 174129 adopted July 24, 2001, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Los Angeles Administrative Code (the "Bond Law"), and are being issued under a Master Trust Agreement, dated as of September 1, 2001 (the "Master Trust Agreement"), as amended and supplemented, and a Seventh Supplemental Trust Agreement, dated as of August 1, 2009 (the "Seventh Trust Agreement," collectively with the Master Trust Agreement, the "Trust Agreement"), by and between the City and U.S. Bank National Association, as successor trustee (the "Trustee"), authorizing the issuance of the Series 2009-A Bonds as authorized by the resolution adopted by the Council of the City (the "City Council") on [August 2009] (the "City Resolution"). The Series 2009-A Bonds are being issued for the purpose to finance (i) the acquisition of certain solid waste containers, equipment and vehicles (the "Project"), (ii) to fund a deposit to a Reserve Fund (as defined in the Trust Agreement) and (iii) to pay costs of issuance of the Series 2009-A Bonds.

The Series 2009-A Bonds are special, limited obligations of the City and are secured solely by and payable from a pledge of the Revenues (as defined in the Trust Agreement), which include (i) the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee (the "Solid Waste Resources 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, including the Extra Capacity Fee (defined herein), and (iii) the earnings on and income derived from the investment of the amounts set forth in (i) and (ii) and from amounts on deposit in the Reserve Fund.

The Series 2009-A Bonds shall be payable and shall be subject to redemption as provided in the Trust Agreement and shall be as described in the Preliminary Official Statement of the City dated _____, 2009 (the "Preliminary Official Statement"), and the Official Statement of the City dated of even date herewith. Such Official Statement, including the cover page and the appendices thereto, relating to the Series 2009-A Bonds, as amended to conform to the terms of this Bond Purchase Agreement and with such changes and amendments thereto as have been mutually agreed to by the City and the Underwriters, are hereinafter referred to as the "Official Statement."

This Bond Purchase Agreement, the City Resolution, the Trust Agreement and the Continuing Disclosure Certificate (as defined herein) are hereinafter referred to as the "Basic Documents."

3. **Offering by the Underwriters.** It shall be a condition to the City's obligations to sell and to deliver the Series 2009-A Bonds to the Underwriters and to the Underwriters' obligation to purchase, to accept delivery of and to pay for the Series 2009-A Bonds that the entire principal amount of the Series 2009-A Bonds shall be issued, sold and delivered by the City and purchased, accepted and paid for by the Underwriters at the Closing. It is understood that the Underwriters proposes to offer the Series 2009-A Bonds for sale to the public (which may include selected dealers and special purchasers) at prices or yields as set forth in Exhibit A hereto and on the inside cover page of the Official Statement. Concessions from the public offering price may be allowed to selected dealers and special purchasers. It is understood that the initial public offering price and concessions set forth in the Official Statement may vary after the initial public offering. It is further understood that the Series 2009-A Bonds may be offered to the public at prices other than the par value thereof. The net premium on the sale of the Series 2009-A Bonds to the public, if any, shall accrue to the benefit of the Underwriters.

4. **Official Statement, Delivery of Other Documents, Use of Documents.**

(a) The City hereby authorizes the use by the Underwriters of the Preliminary Official Statement and the Official Statement (including any supplements or amendments thereto) and the Basic Documents and the information therein contained, in connection with the public offering and sale of the Series 2009-A Bonds.

(b) The City shall deliver to the Underwriters, within seven business days from the date hereof, such number of copies of the final Official Statement executed on behalf of and approved for distribution by the City as the Underwriters may reasonably request in order for the Underwriters to comply with the rules of the Municipal Securities Rulemaking Board and Rule 15c2-12(b)(4) under the Securities Exchange Act of 1934 but in no event exceeding _____ copies.

(c) As soon as practicable following receipt thereof, the Underwriters shall deliver the Official Statement, and any supplements or amendments thereto, to a nationally recognized municipal securities information repository.

5. **Representations, Warranties and Agreements of the City.** The City represents, warrants and agrees as follows:

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

(b) The City has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the Basic Documents.

(c) By all necessary official action, the City has duly adopted, authorized and approved the Basic Documents, has duly authorized and approved the Preliminary Official Statement, will, by execution thereof, duly authorize and approve the Official Statement, has duly adopted or authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the Basic Documents and the consummation by it of all other transactions contemplated by the Basic Documents in connection with the issuance of the Series 2009-A Bonds.

(d) To the best of its knowledge, the City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or of the United States of America, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the Basic Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the Basic Documents, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligation under the Basic Documents nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as may be provided by the Basic Documents.

(e) To the best of its knowledge, all authorizations, approvals, licenses, permits, consents and orders of any California or United States governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations in connection with the issuance, sale and delivery of the Series 2009-A Bonds under this Bond Purchase Agreement have been duly obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2009-A Bonds; except as described in or contemplated by the Preliminary Official Statement and the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of

any California or United States governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the Basic Documents have been duly obtained.

(f) The City has agreed in the Continuing Disclosure Certificate dated [_____, 2009] (the "Continuing Disclosure Certificate") to provide annual financial reports and notices of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement, which description may take the form of the full text of the Continuing Disclosure Certificate.

(g) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, notice of which has been served on the City, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the City executing this Bond Purchase Agreement or of the Deputy City Attorney approving this Bond Purchase Agreement as to form, overtly threatened in writing against the City, affecting the existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2009-A Bonds or the pledge of and lien on the Revenues pursuant to the Trust Agreement, or contesting or affecting as to the City the validity or enforceability of the Series 2009-A Bonds or the other Basic Documents or contesting the tax exempt status of interest on the Series 2009-A Bonds, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or the execution and delivery or adoption by the City of the Basic Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the City, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the authorization, execution, delivery or performance by the City of the Basic Documents.

(h) The City will furnish such information, execute such instruments and take such other action not inconsistent with the law in cooperation with the Underwriters as necessary in order (i) to qualify the Series 2009-A Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate, and will use its commercially reasonable efforts to continue such qualifications in effect so long as required for the distribution of the Series 2009-A Bonds; provided, however, that the City shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, and further provided that the Underwriters shall bear all costs in connection with the City's action under (i) of this paragraph (h) of this Section 5, and (ii) to assure or maintain the tax exempt status of the interest on the Series 2009-A Bonds.

(i) As of its dated date, the Preliminary Official Statement (other than the information under the caption "UNDERWRITING" and in Appendix F – "DTC AND

THE BOOK-ENTRY ONLY SYSTEM”) is and the Official Statement (other than the information under the caption “UNDERWRITING” and in Appendix F - “DTC AND THE BOOK-ENTRY ONLY SYSTEM”) will be true and correct in all material respects; and as of those dates and times the Preliminary Official Statement (other than the information under the caption “UNDERWRITING” and in Appendix F - “DTC AND THE BOOK-ENTRY ONLY SYSTEM”) did not and the Official Statement (other than the information under the caption “UNDERWRITING” and in Appendix F - “DTC AND THE BOOK-ENTRY ONLY SYSTEM”) will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) If the Preliminary Official Statement or the Official Statement are supplemented or amended pursuant to paragraph (k) of this Section 5, at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including the Closing Date, the Preliminary Official Statement or the Official Statement as so supplemented or amended (other than the information under the caption “UNDERWRITING” and in Appendix F - “DTC AND THE BOOK-ENTRY ONLY SYSTEM”) will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The City hereby agrees that it will notify the other parties hereto if, within the period from the date of this Bond Purchase Agreement to and including the date 25 days following the End of the Underwriting Period (as hereinafter defined), the City discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case, which might cause the Preliminary Official Statement or the Official Statement (as the same may have then been supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the reasonable opinion of the City or the Underwriters, or their respective counsel, the preparation and publication of a supplement or amendment to the Preliminary Official Statement or the Official Statement (as the case may be) is, as a result of such fact or event (or any other event that becomes known to the City or any Underwriter during such period), necessary so that the Preliminary Official Statement or the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City will, at its expense, supplement or amend the Preliminary Official Statement or the Official Statement (as the case may be) in such a manner so that the Preliminary Official Statement or the Official Statement (as the case may be), as so supplemented or amended, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and will furnish copies of such supplement or amendment to the Underwriters in such quantity as the Underwriters may reasonably request. The City and the Underwriters agree that they will cooperate in the preparation of any such amendment or supplement. As used in this Bond Purchase Agreement, the term “End of the Underwriting Period” means the later of such time as (i) the City delivers the Series

2009-A Bonds to the Underwriters, or (ii) the Underwriters do not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Series 2009-A Bonds for sale to the public. Unless the Representative gives notice to the City to the contrary, the "End of the Underwriting Period" shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be delivered to the City, in writing, at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the End of the Underwriting Period.

(l) The City will refrain from taking any action, or permitting any action to be taken, with regard to which the City may exercise control, that results in the loss of the tax-exempt status of the interest on the Series 2009-A Bonds.

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

(n) Except as disclosed in the Preliminary Official Statement and the Official Statement, the City has not within the last five years failed to comply in all material respects with any continuing disclosure undertakings with regard to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), to provide annual reports or notices of material events specified in such rule.

(o) The City agrees to deliver to the Underwriters, at such addresses as the Underwriters shall specify, as many copies of the Official Statement as the Underwriters shall reasonably request to comply with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board but in no event exceeding ____ copies.

(p) The City is not in default and at no time in the past ten years has been in default with respect to any obligations incurred by it of a character similar to the Series 2009-A Bonds.

6. **Closing.** The Closing shall take place at 8:00 A.M. California time, on August ___, 2009, or on such other date or at such other place as shall have been mutually agreed upon as the date on or place at which the Closing shall occur. At 8:00 A.M., California time on the Closing date, the City will cause the Series 2009-A Bonds in definitive form, duly executed and authenticated, to be delivered to the principal office of The Depository Trust Company ("DTC"), New York, New York. Simultaneously with such delivery and provided that all conditions to the obligations of the Underwriters set forth in Section 7 hereof have been satisfied and are in form and substance satisfactory to the Underwriters, the Underwriters will cause the purchase price of the Series 2009-A Bonds to be paid in Los Angeles, California as set forth in Paragraph 1 hereof by delivering federal funds or other immediately available funds in the amount of such purchase price to the City. The Series 2009-A Bonds, bearing CUSIP numbers, will be in definitive form and registered in the name of "Cede & Co.," as nominee of DTC. There shall be one typewritten Bond for each maturity and the Series 2009-A Bonds will be made available for inspection and checking by DTC, not later than 10:00 A.M., New York time, on the second business day prior to the Closing or such other date or time as shall be mutually agreed upon. The failure of the

Series 2009-A Bonds to bear correct CUSIP numbers shall not be a basis for failure of the Underwriters to accept delivery of the Series 2009-A Bonds.

7. **Closing Conditions.** The Underwriters has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the City contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Series 2009-A Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations and warranties of the City contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of the Closing, the Trust Agreement shall be in full force and effect in accordance with its terms and shall not have been amended, modified or supplemented and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriters;

(c) At the time of the Closing, all necessary official action of the City, the City and of the other parties to the Basic Documents relating thereto shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(d) Subsequent to the date hereof, there shall not have occurred any change in or affecting particularly the City or the Series 2009-A Bonds, as the foregoing matters are described in the Official Statement, which in the reasonable opinion of the Underwriters materially impairs the investment quality of the Series 2009-A Bonds;

(e) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) The Official Statement and each supplement or amendment, if any, thereto, executed by a designated officer of the City;

(2) Executed copies of the Trust Agreement relating to the Series 2009-A Bonds;

(3) The City Resolution, certified by the City;

(4) A copy of this Bond Purchase Agreement, executed by the City and the Underwriters;

(5) Certificate of the City with respect to the matters described in Sections 5 and in paragraphs (a), (b), (c) and (d) of this Section 7;

(6) An opinion (the "Final Approving Legal Opinion"), dated the date of the Closing and addressed to the City, of Sidley Austin LLP, Los Angeles, California, Bond Counsel, substantially in the form attached to the Official Statement;

(7) An opinion, dated the date of the Closing and addressed to the Underwriters and the Trustee, of Sidley Austin LLP, Los Angeles, California, Bond Counsel, in substantially the form attached hereto as Exhibit B;

(8) An opinion, dated the date of the Closing and addressed to the Underwriters, of the City Attorney, in substantially the form attached hereto as Exhibit C;

(9) An opinion, dated the date of the Closing and addressed to the City and the Underwriters, of the Law Offices of Elizabeth C. Green, Los Angeles, California, Disclosure Counsel, in substantially the form attached hereto as Exhibit D;

(10) Transcripts of all proceedings relating to the authorization and issuance of the Series 2009-A Bonds certified by the City; and

(11) An opinion of counsel to the Trustee, to the effect that:

(i) Due Organization and Existence - the Trustee has been duly organized and is validly existing and in good standing, with full corporate power to undertake the trust duties and obligations under the Trust Agreement;

(ii) Corporate Action - the Trustee has duly authorized, executed and delivered the Trust Agreement, and by all proper corporate action has authorized the acceptance of the duties and obligations of the Trustee under the Trust Agreement and to authorize in such capacity the authentication and delivery of the Series 2009-A Bonds; and

(iii) Due Authorization, Execution and Delivery - assuming due authorization, execution and delivery by the City, the Trust Agreement is the valid, legal and binding agreement of the Trustee, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law) and the Series 2009-A Bonds have been duly authenticated by the Trustee;

(iv) Consents - exclusive of federal or state securities laws and regulations, to the best of such counsel's knowledge after reasonable inquiry and investigation, other than routine filings required to be made with governmental agencies in order to preserve the Trustee's authority to perform a trust business (all of which routine filings such counsel believes, after reasonable inquiry and investigation, to have been made), no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee is or will be required for the execution and delivery by the Trustee of the Trust Agreement or the authentication and delivery of the Series 2009-A Bonds; and

(v) No Litigation - to the best of such counsel's knowledge, there is no litigation pending or threatened against or affecting the Trustee to restrain or enjoin the Trustee's participation in, or in any way contesting the powers of the Trustee with respect to the transactions contemplated by the Series 2009-A Bonds, the Trust Agreement or the Assignment Agreement

(12) The excerpts from the Bylaws of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Trust Agreement.

(13) A certificate of the Trustee, dated the date of Closing, certifying that, subject to the limitations provided herein, the Trustee represents and warrants and agrees with the Underwriters that as of the date of Closing:

(i) Due Organization and Existence - the Trustee is duly organized and existing as a banking corporation in good standing under the laws of the State of California having the full power and authority to enter into and perform its duties under the Trust Agreement and to authenticate and deliver the Series 2009-A Bonds to the Underwriters pursuant to the terms of the Trust Agreement;

(ii) No Conflict - to the best of the knowledge of the Trustee, after due investigation, the execution and delivery by the Trustee of the Trust Agreements and the authentication and delivery by the Trustee of the Series 2009-A Bonds, and compliance with the terms thereof will not, in any material respect, conflict with, or result in a violation or breach of, or constitute a default under, the Trustee's Articles of Association or Bylaws, any loan agreement, trust agreement, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties, or result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee, which conflict, breach, violation or default would materially impair the ability of

the Trustee to perform its obligations under the Trust Agreement (except that no representation, warranty or agreement is made by the Trustee with respect to any federal or state securities or Blue Sky laws or regulations).

(iii) No Litigation - to the best of the knowledge of the Trustee, there is no litigation that has been served on the Trustee or threatened against or affecting the Trustee to restrain or enjoin the Trustee's participation in, or in any way contesting the powers of the Trustee with respect to the transactions contemplated by the Trust Agreement.

(iv) Due Execution - the Trustee has duly executed and delivered the Seventh Supplemental Trust Agreement;

(v) Due Authentication - the Series 2009-A Bonds have been duly authenticated and delivered by the Trustee to the Representative pursuant to written direction from the City;

(vi) No Breach or Default - the Trustee is not in breach of or default under any law or administrative rule or regulation of the United States of America or of any department, division, agency or instrumentality thereof, or any applicable court or administrative decree or order, or any other instrument to which the Trustee is a party or is otherwise subject or bound and which would materially impair the ability of the Trustee to perform its obligations under the Trust Agreement; and

(vii) Consents - to the best knowledge of the Trustee, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained by the Trustee is or will be required for the authentication and delivery of the Series 2009-A Bonds and the execution and delivery of the Seventh Supplemental Trust Agreement or the consummation by the Trustee of the other transactions contemplated by the Trust Agreement, except as such may be required under the state securities or blue sky laws in connection with the distribution of the Series 2009-A Bonds by, and pursuant to the specific instructions of the Representative..

(14) An executed copy of the Continuing Disclosure Certificate, substantially in the form presented as Appendix D to the Official Statement.

(15) A certificate of Fieldman, Rolapp & Associates, Irvine, California, as Financial Advisor, pursuant to the terms of the Tax Certificate (as defined herein).

(16) a certificate, dated the date of the Preliminary Official Statement, of the City addressed to the Underwriters, to the effect that for purposes of compliance with Rule 15c2-12, the City deems the Preliminary Official Statement to be final as of its date;

(17) evidence satisfactory to the Underwriters (i) that the Series 2009-A Bonds have been rated "[]" by Standard & Poor's Ratings Group, a Division of the McGraw-Hill Companies, Inc., "[]" by Moody's Investors Service and "[]" by Fitch Ratings and (ii) that such ratings remain in effect and have not been suspended, withdrawn or downgraded as of the Closing Date;

(18) a Tax Certificate ("Tax Certificate") with respect to maintaining the tax-exempt status of the Series 2009-A Bonds, duly executed by the City;

(19) copies of the preliminary notice to the California Debt and Investment Advisory Commission relating to the Series 2009-A Bonds;

(20) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the City's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City on or prior to the date of the Closing of all the agreements then to be performed and conditions then to be satisfied by it.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to Bond Counsel and the Underwriters. The opinions and certificates referred to in paragraphs (7), (8), (9), (10) and (11) of this Section 7(e) shall be deemed satisfactory provided they are substantially in the forms attached as exhibits to the Official Statement or this Bond Purchase Agreement.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2009-A Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2009-A Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriters nor the City shall be under any further obligation hereunder, subject to the provisions of Section 10 hereof, which shall survive any such termination.

8. **Termination.** The Underwriters may terminate this Bond Purchase Agreement by notice to the City in the event that between the date hereof and the Closing (a) legislation shall be favorably reported for passage by a committee of the House of Representatives or the Senate of the Congress of the United States to which such legislation has been referred for consideration or legislation shall be introduced, by amendment or otherwise, in, or be enacted by the House of Representatives or the Senate, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation or official statement (final, temporary or proposed) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction shall be made, with respect to federal taxation of revenues or other income of the general character expected to be derived by the City or upon interest on securities of the general character of the Series 2009-A Bonds or which would have the effect of changing, directly or indirectly, the

federal income tax consequences of receipt of interest on securities of the general character of the Series 2009-A Bonds in the hands of the holders thereof, which in the reasonable opinion of the Representative would materially and adversely affect the market price of the Series 2009-A Bonds; (b) legislation shall be favorably reported for passage by a committee of the House of Representatives or the Senate of the Congress of the United States to which such legislation has been referred for consideration or legislation shall be introduced, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate, or a decision by a court of the United States, or action shall be taken or a regulation shall be issued by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter, the effect of which, in the reasonable opinion of the Representative, could be that either (i) the Series 2009-A Bonds are not, or may not be, exempt from the registration, qualification or other similar requirements of the Securities Act of 1933, as amended, or (ii) the Trust Agreement is not, or may not be, exempt from the registration, qualification or other requirements of the Trust Agreement Act of 1939, as amended (the "Trust Agreement Act"); (c) the United States shall have become engaged in hostilities that have resulted in a declaration of war or a national emergency, or any hostilities involving the United States or other national or international calamity or crisis shall have occurred or shall have escalated which, in the reasonable opinion of the Representative, shall materially adversely affect the market price for the Series 2009-A Bonds; (d) there shall be in force a general suspension of trading on the New York Stock Exchange or other national stock exchange; (e) in the reasonable judgment of the Representative, the market for any Series 2009-A Bonds or of obligations of the general character of the Series 2009-A Bonds might be materially and adversely affected because either (i) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange or (ii) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall have imposed, as to any Series 2009-A Bonds or similar obligations, any material, restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or a change to the net capital requirements of, the Underwriters; (f) a general banking moratorium shall have been established by federal, New York or California authorities, or a major financial crisis or a material disruption in commercial banking or securities settlement or clearance services shall have occurred; (g) any rating of the Series 2009-A Bonds shall have been changed, withdrawn or suspended and such action, in the reasonable opinion of the Representative, shall materially and adversely affect the market price for the Series 2009-A Bonds or (h) any event shall have occurred or shall exist which, in the reasonable opinion of the Representative, makes untrue or incorrect, as of such time, in any material respect, any statement or information contained in the Official Statement or which is not reflected in the Official Statement, but should be reflected therein, in order to make the statements and information contained therein not misleading as of such time.

9. **Payment of Costs and Expenses.** (a) Except as set forth in paragraph (b) of this Section 9, the City shall pay or reimburse all costs and expenses incident to the sale and delivery of the Series 2009-A Bonds, including, but not limited to: (i) the fees and expenses of the City, its counsel and its financial advisors; (ii) the fees and expenses of Bond Counsel and Disclosure Counsel; (iii) all costs and expenses incurred in connection with the preparation and printing of the Series 2009-A Bonds; (iv) all expenses incurred in connection with the preparation, printing, distribution and delivery of the Preliminary Official Statement and the Official Statement and any amendment or supplement thereto; and (v) the fees and expenses of the Trustee.

(b) The Underwriters shall pay all advertising expenses in connection with the public offering of the Series 2009-A Bonds and all other expenses incurred in underwriting the Series 2009-A Bonds, including the fees and expenses of Underwriters' Counsel, fees of the California Debt and Investment Advisory Commission and CUSIP Bureau fees.

10. **Representations, Warranties and Agreements to Survive Delivery.** The representations, warranties, indemnities, agreements and other statements of the City and the Underwriters or their officers or partners set forth in, or made pursuant to, this Bond Purchase Agreement will remain operative and in full force and effect regardless of any investigation made by or on behalf of the City or the Underwriters or any controlling person and will survive delivery of and payment for the Series 2009-A Bonds.

11. **Notices.** Any notice or other communication to be given under this Bond Purchase Agreement may be given by delivering the same in writing:

To the City: City of Los Angeles
Office of the City Administrative Officer
200 North Main Street
15th Floor, City Hall East
Los Angeles, California 90012
Attention: Debt Management Group

To the Representative: Stone & Youngberg LLC
515 South Figueroa Street, Suite 1800
Los Angeles, California 90071
Attention:

12. **Parties in Interest.** This Bond Purchase Agreement is made solely for the benefit of the City and the Underwriters (including the successors or assigns of the Underwriters but does not include any purchasers of the Series 2009-A Bonds from the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Series 2009-A Bonds pursuant to this Bond Purchase Agreement; and (iii) any termination of this Bond Purchase Agreement. The Bond Purchase Agreement may not be assigned by any party without the written consent of the other party.

13. **Determination of End of the Underwriting Period.** For purposes of this Bond Purchase Agreement, the End of the Underwriting Period for the Series 2009-A Bonds shall mean the earlier of (a) the day of the Closing unless the City has been notified in writing by the Underwriters, on or prior to the day of the Closing, that the "end of the underwriting period" for the Series 2009-A Bonds for all purposes of Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 (the "Rule") will not occur on the day of the Closing, or (b) the date on which notice is given to the City by the Underwriters in accordance with the following sentence. In the event that the Underwriters has given notice to the City pursuant to clause (a) above that the "end of the underwriting period" for the Series

2009-A Bonds will not occur on the day of the Closing, the Underwriters agrees to notify the City in writing as soon as practicable following the "end of the underwriting period" for the Series 2009-A Bonds for all purposes of the Rule.

14. **Effectiveness.** This Bond Purchase Agreement shall become effective upon the execution of the acceptance by the designee of the City and shall be valid and enforceable at the time of such acceptance.

15. **Headings.** The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part of this Bond Purchase Agreement.

16. **Governing Law.** This Bond Purchase Agreement shall be construed in accordance with the laws of the State of California.

17. **Counterparts.** This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

If the foregoing is in accordance with your understanding of the Bond Purchase Agreement please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the City and the Underwriters in accordance with its terms.

Very truly yours,

STONE & YOUNGBERG LLC, as Representative

By: _____

Its: _____

Accepted:

This ____ day of August, 2009

CITY OF LOS ANGELES

By _____
Assistant City Administrative Officer

ATTEST:

JUNE LAGMAY
City Clerk

By _____
Deputy City Clerk

APPROVED AS TO FORM:

This ____ day of _____, 2009:

CARMEN TRUTANICH
City Attorney

By _____
Assistant City Attorney

Exhibit A

**City of Los Angeles
Solid Waste Resources Revenue Series 2009-A Bonds**

<u>Maturity</u> <u>(_____1)</u>	<u>Principal</u> <u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>
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Exhibit B

Supplemental Opinion of Bond Counsel

[Closing Date]

Stone & Youngberg LLC, as
Representative of the Underwriters
Los Angeles, CA 90071

Re: City of Los Angeles
Solid Waste Resources Revenue Series 2009-A Bonds

Ladies and Gentlemen:

This letter is addressed to you, as Underwriters, pursuant to Section 7(e)(7) of the Bond Purchase Agreement, dated _____, 2009 (the "Bond Purchase Agreement"), between you and the City of Los Angeles (the "Issuer"), providing for the purchase of \$_____ principal amount of the City's Solid Waste Resources Revenue Series 2009-A Bonds (the "Series 2009-A Bonds"). The Series 2009-A Bonds are being issued pursuant to a Master Trust Agreement, dated as of September 1, 2001 (the "Master Trust Agreement"), as amended and supplemented, and a Seventh Supplemental Trust Agreement, dated as of March 1, 2009 (the "Seventh Trust Agreement," collectively with the Master Trust Agreement, the "Trust Agreement"), by and between the City and U.S. Bank National Association, as successor trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement or, if not defined in the Trust Agreement, in the Bond Purchase Agreement.

In connection with our role as bond counsel, we have reviewed the Bond Purchase Agreement, the Trust Agreement, the Tax Certificate, opinions of counsel to the Issuer and the Trustee, certificates of the Issuer, the Trustee and others, and such other documents and opinions to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bond Purchase Agreement has been duly executed and delivered by the City and is a valid and binding agreement of the City.
2. The Series 2009-A Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Agreement Act of 1939, as amended.
3. The statements contained in the Official Statement under the captions "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "TAX MATTERS," APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT," APPENDIX D – "PROPOSED FORM OF BOND COUNSEL OPINION", and APPENDIX E—FORM OF CONTINUING DISCLOSURE

CERTIFICATE, excluding any material that may be treated as included under such captions by cross reference, insofar as such statements expressly summarize certain provisions of the Series 2009-A Bonds, the Trust Agreement and the form and content of our Bond Opinion are accurate in all material respects.

This letter is delivered to you as Underwriters of the Series 2009-A Bonds, is solely for your benefit as such Underwriters and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person without our written consent.

We have delivered our final legal opinion (the "Bond Opinion") as bond counsel to the Issuer concerning the validity of the Series 2009-A Bonds and certain other matters, dated the date hereof and addressed to the Issuer. You may rely on such opinion as though the same were addressed to you.

Very truly yours,

Exhibit C

Opinion of the City Attorney

\$ _____

City of Los Angeles
Solid Waste Resources Revenue Series 2009-A Bonds

City of Los Angeles
Los Angeles, California

Sidley Austin LLP
555 West Fifth Street, 40th Floor
Los Angeles, California 90013

Stone & Youngberg LLC, as
Representative of the Underwriters
Los Angeles, CA 90071

Ladies and Gentlemen:

I have acted as counsel to the City of Los Angeles (the "City") in connection with the issuance of \$ _____ in aggregate principal amount of City of Los Angeles, California, Solid Waste Resources Revenue Bonds, Series 2009-A (the "Series 2009-A Bonds"). As such counsel, I have reviewed the Seventh Supplemental Trust Agreement, dated as of August 1, 2009 (the "Seventh Supplemental Trust Agreement"), by and between the City and U.S. Bank National Association, as successor trustee (the "Trustee"), and such other information and documents, including the related Preliminary Official Statement dated _____, 2009 and Official Statement dated _____, 2009 (collectively referred to herein as the "Official Statement"), as I considered necessary to render these opinions.

Based on such examination, I am of the opinion that:

1. The City is a charter city and municipal corporation duly organized and validly existing under the Constitution of the State of California and the City has full legal right, power and authority to execute and deliver the Seventh Supplemental Trust Agreement and thereafter to perform all of its obligations under the Seventh Supplemental Trust Agreement.

2. Ordinance No. 174129 adopted by the Council (the "City Council") on July 24, 2001 (establishing the procedures under which the City may issue revenue bonds secured by the revenues in the Solid Waste Resources Revenue Fund) (the "Ordinance") and the resolution adopted by the City Council on _____, 2009, relating to the issuance of the Series 2009-A Bonds (the "Resolution"), were adopted at meetings of the City Council which were duly called and held pursuant to law, with all public notices required by law having been given, and at which a quorum was present and acting throughout. The Ordinance and Resolution were and remain valid and in full force and effect.

3. There is no action, suit, proceeding or investigation at law or in equity, before or by any court, public board or body, pending, or to the best of my knowledge, threatened against or affecting the existence or powers of the City, or seeking to restrain or enjoin the performance under the Seventh Supplemental Trust Agreement, or in any way contesting or affecting the

validity thereof, or whereby an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the City's obligations under the Seventh Supplemental Trust Agreement.

4. The Seventh Supplemental Trust Agreement has been duly authorized, executed, accepted and delivered by the City, assuming due execution and delivery by the other parties thereto, constitutes the legally valid and binding agreement of the City enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally by the general principles of equity and to the limitations on legal remedies against public entities in the State of California.

5. No authorization, approval, consent or other order of the State of California or of any other governmental authority or agency within the State of California, other than the authorization of the City Council which has been described above, is required for the valid authorization, execution, acceptance and delivery by the City of the Seventh Supplemental Trust Agreement and the Official Statement; provided, however, that no representation is made concerning the compliance with federal securities laws or the Blue Sky Laws of any state.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom.

This letter is for the sole benefit of the addressees and is not to be used, circulated, quoted or otherwise referred to for any purpose. No other person may rely on this letter without my prior written consent. I do not undertake, and expressly disclaim, any obligation to amend or supplement this opinion as facts and circumstances come to my attention, or changes in law occur, after the date hereof which could affect such opinion.

Very truly yours,

CARMEN TRUTANICH, City Attorney

By: _____
Assistant City Attorney

Exhibit D

**Opinion of The Law Offices of Elizabeth C. Green, Disclosure Counsel
Addressed to the Underwriters**

§ _____

City of Los Angeles

Solid Waste Resources Revenue Series 2009-A Bonds

[Closing Date]

City of Los Angeles
Los Angeles, California

Stone & Youngberg LLC, as
Representative of the Underwriters
Los Angeles, CA 90071

Ladies and Gentlemen:

I have served as Disclosure Counsel to the City of Los Angeles (the "City") in connection with the issuance of \$ _____ aggregate principal amount of Solid Waste Resources Revenue Series 2009-A Bonds (the "Series 2009-A Bonds"), which are being delivered today to Stone & Youngberg LLC, as representative (the "Representative") of the Underwriters (the "Underwriters") named in the Bond Purchase Agreement, dated March __, 2009] (the "Bond Purchase Agreement"), by and between the Representative and the City, pursuant to which the Underwriters have agreed to purchase the Series 2009-A Bonds.

In my capacity as Disclosure Counsel, I have rendered certain legal advice and assistance to the City in the course of your investigation and negotiations pertaining to, and your participation in the preparation of, the Official Statement dated March __, 2009 relating to the Series 2009-A Bonds (the "Official Statement"). Rendering such legal advice and assistance involved, among other things, discussions and inquiries concerning various legal matters, review of certain records, documents and proceedings, and participation in conferences with, among others, representatives of the City, the City Attorney, the Underwriters, and Bond Counsel, at which conferences the contents of the Official Statement and related matters were discussed. On the basis of the information made available to us in the course of the foregoing (but without having undertaken to determine or verify independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement), no facts have come to my attention in rendering legal advice and assistance in connection with the preparation of the Official Statement which cause me to believe that the Official Statement as of its date and as of the date hereof (excluding therefrom financial and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; statements relating to the tax treatment of the Series 2009-A Bonds or the interest, discount or premium related thereto for tax purposes under the law of any jurisdiction; and the statements contained in the Appendices to the Official Statement, as to all of which I express no view) contained or contains any untrue

statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is limited to matters governed by the federal securities law of the United States and the laws of the State of California, and I assume no responsibility with respect to the applicability or effect of the laws of any other jurisdiction.

During the period from the date of the Official Statement to the date of this opinion, except for my review of the transcript of proceedings relating to the issuance of the Series 2009-A Bonds and the certificates and opinions regarding the Series 2009-A Bonds and the Official Statement delivered on the date hereof, I have not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Official Statement.

I am furnishing this opinion to the City and the Underwriters in my capacity as Disclosure Counsel, solely for the benefit of the City in connection with the issuance of the Series 2009-A Bonds, and to the Underwriters as underwriters of the Series 2009-A Bonds. I have no contractual or other relationship with the Underwriters. This opinion may not be relied upon by you for any other purpose. This opinion shall not extend to, and may not be used, circulated, quoted, referred to, or relied upon by, any other person, firm, corporation or other entity without my prior written consent. This opinion is rendered solely in connection with the transaction described herein, and is based upon my understanding of the facts and applicable law as of the date hereof. Such facts and applicable law are subject to change. My engagement with respect to this matter terminates upon the delivery of this opinion to you at the time of the closing relating to the Series 2009-B Bonds, and I have no obligation to update this opinion.

Very truly yours,

ATTACHMENT E

PRELIMINARY OFFICIAL STATEMENT

DTC Bonds

NEW ISSUE-- FULL BOOK-ENTRY ONLY

RATINGS: Fitch "AA-"
Moody's "Aa3"
S&P "AA"
(See "Ratings" herein)

In the opinion of Sidley Austin LLP, Los Angeles, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming compliance with certain covenants in the documents pertaining to the Bonds and requirements of the Internal Revenue Code of 1986, as amended, (the "Code") as described herein, interest on the Bonds is not includable in the gross income of the owners of the Bonds for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Bonds is not treated as an item of tax preference in calculating the federal alternative minimum taxable income of individuals and corporations, and is not included as an adjustment in calculating federal corporate alternative minimum taxable income for purposes of determining a corporation's alternative minimum tax liability. In the further opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxes imposed by the State of California. See "TAX MATTERS" herein.

\$69,750,000*

CITY OF LOS ANGELES, CALIFORNIA
Solid Waste Resources Revenue Bonds,
Series 2009-A

**Dated: Date of Delivery****Due: February 1, as shown on inside cover page**

This cover page contains certain information for general reference only. It is not intended to be a summary of all factors relating to an investment in the Bonds. Investors should review the entire Official Statement before making any investment decision.

The \$69,750,000* Solid Waste Resources Revenue Bonds, Series 2009-A (the "Bonds") are being issued by the City of Los Angeles (the "City") to finance the acquisition of certain solid waste containers, equipment and vehicles (the "Project"), to fund a deposit to a Reserve Fund and to pay costs of issuance of the Bonds. The Bonds are authorized under the Charter of the City and Ordinance No. 174129 adopted July 24, 2001, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Los Angeles Administrative Code, and are being issued under a Master Trust Agreement, dated as of September 1, 2001, as amended and supplemented, including as amended and supplemented by a Seventh Supplemental Trust Agreement, dated as of August 1, 2009 (collectively, the "Trust Agreement"), by and between the City and U.S. Bank National Association, as successor trustee (the "Trustee").

Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2010 until maturity or prior redemption thereof. The Bonds will be delivered in fully registered form and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). The Bonds will be in denominations of \$5,000 each or any integral multiple thereof. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds purchased. Principal of and interest on the Bonds will be paid by the Trustee to DTC or its nominee, Cede & Co., so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to the beneficial owners of the Bonds is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See "THE BONDS-General Terms" and APPENDIX F—"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The Bonds are subject to redemption prior to maturity as set forth herein. See "THE BONDS-Redemption."

The Bonds are special, limited obligations of the City and are secured solely by and payable from a pledge of the Revenues (as defined in the Trust Agreement) which include (i) the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee (the "Solid Waste Resources Fee") received by the Solid Waste Resources Revenue Fund (or any successor fund held by the City, the "SWR Revenue Fund"), including penalties and delinquencies, if any, after deduction of costs of administering the billing and collection process, (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, including the Extra Capacity Fee (defined herein), and (iii) the earnings on and income derived from the investment of the amounts set forth in (i) and (ii) and from amounts on deposit in the Reserve Fund (as defined in the Trust Agreement). The Bonds are payable from the Revenues on a parity with the six prior series of bonds issued by the City as Additional Bonds (as herein defined) under the Trust Agreement, currently outstanding in the aggregate principal amount of \$293,590,000. The City may issue additional debt or incur additional obligations under the Trust Agreement ("Additional Bonds") on a parity with the Bonds, but only in accordance with the provisions contained in the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY AND ARE SECURED SOLELY BY AND PAYABLE FROM A PLEDGE OF THE REVENUES. THE BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE BONDS DO NOT CONSTITUTE A DEBT OR AN INDEBTEDNESS OF THE CITY, THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF THE CONSTITUTION OR STATUTES OF THE STATE.

The Bonds are offered when, as and if received by the purchaser, subject to the approval of legality by Sidley Austin LLP, Los Angeles, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the City by Carmen Trutanich, City Attorney, and by the Law Offices of Elizabeth C. Green, Los Angeles, California, as Disclosure Counsel. Certain legal matters will be passed on for the Underwriters by Fulbright & Jaworski, Los Angeles, California. It is anticipated that the Bonds will be available for delivery to DTC in book-entry form on or about August 26, 2009.

Stone & Youngberg

Date of Official Statement: August __, 2009.

Cabrera Capital Markets, LLC

* Preliminary; subject to change

Maturities, Principal Amounts, Interest Rates, Prices or Yields and CUSIP[†] Numbers
(Base CUSIP[†] Number: 54463P)

<u>Maturity (February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price/Yield</u>	<u>CUSIP[†] Number</u>
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				

[†] Copyright 2009, American Bankers Association. CUSIP numbers herein are provided by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw-Hill Companies, Inc., and are set forth herein for the convenience of reference only. None of the City, Bond Counsel, Disclosure Counsel, the Underwriters or the Financial Advisor assume any responsibility for the accuracy of such numbers.

CITY OF LOS ANGELES, CALIFORNIA

Mayor

Antonio R. Villaraigosa

City Council

Ed P. Reyes (<i>District 1</i>)	Tony Cardenas (<i>District 6</i>)	Bill Rosendahl (<i>District 11</i>)
(<i>Vacant</i>) (<i>District 2</i>)	Richard Alarcón (<i>District 7</i>)	Greig Smith (<i>District 12</i>)
Dennis P. Zine (<i>District 3</i>)	Bernard C. Parks (<i>District 8</i>)	Eric Garcetti (<i>District 13</i>)
Tom LaBonge (<i>District 4</i>)	Jan Perry (<i>District 9</i>)	José Huizar (<i>District 14</i>)
Paul Koretz (<i>District 5</i>)	Herb J. Wesson, Jr. (<i>District 10</i>)	Janice Hahn (<i>District 15</i>)

City Officials

Carmen Trutanich, *City Attorney*
Wendy Gruel, *City Controller*
Raymond P. Ciranna, *Acting City Administrative Officer*
June Lagmay, *City Clerk*
Joya C. De Foor, *City Treasurer*

City Department Issuing Debt

Office of the City Administrative Officer,
Debt Management Group

PROFESSIONAL SERVICES

Bond Counsel

Sidley Austin LLP
Los Angeles, California

Disclosure Counsel

Law Offices of Elizabeth C. Green
Los Angeles, California

Financial Advisor

Fieldman, Rolapp & Associates
Irvine, California

Trustee

U.S. Bank National Association
Los Angeles, California

No dealer, broker, salesperson, or other person has been authorized by the City to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

The information set forth herein has been obtained from the City and other sources which are believed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the SWR Revenue Fund since the date hereof. This Official Statement is submitted with respect to the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements included or incorporated by reference in the following information constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "pro forma" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the City's forecasts in any way, regardless of the level of optimism communicated in the information. Except as set forth in the continuing disclosure certificate (see APPENDIX E-"FORM OF CONTINUING DISCLOSURE CERTIFICATE"), the City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

The information in Appendix F — "DTC AND THE BOOK-ENTRY-ONLY SYSTEM" attached hereto has been furnished by The Depository Trust Company and no representation has been made by the City or the Underwriters as to the accuracy or completeness of such information. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date thereof. This Official Statement is submitted with respect to the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE FRONT COVER HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

A wide variety of other information, including financial information, concerning the City, is available from publications and websites of the City of Los Angeles, the County of Los Angeles and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of or incorporated into this Official Statement, except as expressly noted.

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[LOGO]

\$69,750,000*
CITY OF LOS ANGELES, CALIFORNIA
Solid Waste Resources Revenue Bonds, Series 2009-A

INTRODUCTION

This Official Statement is provided for the purpose of setting forth information concerning the issuance and sale by the City of Los Angeles, California (the "City") of the \$69,750,000* Solid Waste Resources Revenue Bonds, Series 2009-A (the "Bonds"). The Bonds are authorized under the Charter of the City and Ordinance No. 174129 adopted July 24, 2001, codified at Sections 11.27.50 through 11.27.58 of Division 11, Chapter 1, Article 6.4 of the Los Angeles Administrative Code, and are being issued under a Master Trust Agreement, dated as of September 1, 2001 (the "Master Trust Agreement"), as amended and supplemented by the various supplemental trust agreements hereinafter described, including as amended and supplemented by a Seventh Supplemental Trust Agreement, dated as of August 1, 2009 (the "Seventh Supplemental Trust Agreement," and together with the Master Trust Agreement, the "Trust Agreement"), by and between the City and U.S. Bank National Association, as successor trustee (the "Trustee"). See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT" for the definitions of certain capitalized terms and further information regarding the City's obligations under the Trust Agreement.

The Bonds are being issued to finance the acquisition of certain solid waste containers, equipment and vehicles (the "Project"), to fund a deposit to a Reserve Fund and to pay costs of issuance of the Bonds.

The Bonds will be secured by a pledge of Revenues (as defined in the Trust Agreement) which shall consist of (i) the Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee (the "Solid Waste Resources 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 of Los Angeles ("DWP"), (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, including the Extra Capacity Fee (defined herein), and (iii) the earnings and income derived from the investment of the amounts set forth in clauses (i) and (ii) and from amounts on deposit in the Reserve Fund.

The City may designate hereafter as Revenues any other income, rates, fees, charges and other legally available moneys as the City chooses and, by ordinance, may expand the permitted uses of the Solid Waste Resources Fee. For additional information on the Solid Waste Resources Fee and the Extra Capacity Fee, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Revenue Pledge" and "SOLID WASTE RESOURCES FEE" herein.

The City has previously issued six series of bonds under the Master Trust Agreement as Additional Bonds (as hereinafter defined) (such six series being herein referred to as the "Parity Bonds"), that are secured by the Revenues and currently outstanding as of August 1, 2009 in the aggregate principal amount of \$293,590,000. The debt service on the Parity Bonds is payable from the Revenues on a parity with payment of principal of and interest on the Bonds. In connection with the issuance of the Parity Bonds, the City and the Trustee entered into certain supplemental trust agreements, collectively referred to herein as the "Parity Bond Documents." See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Parity Bonds" herein.

*Preliminary; subject to change

In addition, the City may issue additional bonds (whether in the form of contracts, notes, installment purchase agreements, lease or sublease agreements, or otherwise) of the City ("Additional Bonds") secured by the Revenues on a parity with the Bonds and the Parity Bonds, but only in accordance with the provisions of the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Limitations on Parity and Superior Obligations; Additional Bonds." Under the Trust Agreement, the City may not issue or incur any future obligations payable from Revenues which would create a lien prior to the lien of the Bonds.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY AND ARE SECURED SOLELY BY AND PAYABLE FROM A PLEDGE OF THE REVENUES. THE BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE BONDS DO NOT CONSTITUTE A DEBT OR AN INDEBTEDNESS OF THE CITY, THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF THE CONSTITUTION OR STATUTES OF THE STATE.

For a discussion of the collection of the Solid Waste Resources Fee and the City's solid waste collection and disposal system, see "SOLID WASTE RESOURCES FEE" and "DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION SOLID WASTE OPERATIONS." For certain financial, governmental, demographic and economic information with respect to the City, see APPENDIX A - "CITY OF LOS ANGELES INFORMATION STATEMENT."

Certain risk factors relating to the collection of the Solid Waste Resources Fee and the Revenues are discussed herein under "SOLID WASTE RESOURCES FEE-Risk Factors Relating to Fee Collections and Revenues."

This Official Statement contains brief descriptions of, among other things, the Bonds, the Trust Agreement, the City, the SWR Revenue Fund and the Project. Such descriptions do not purport to be comprehensive or definitive. All references in this Official Statement to documents are qualified in their entirety by references to such documents and references to the Bonds are qualified in their entirety by reference to the form of Bond included in the Trust Agreement.

THE BONDS

General Terms

The Bonds are being issued and delivered in the aggregate principal amount of \$69,750,000* and will be dated their date of delivery. The Bonds, when issued, will be initially registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds may be made in book-entry form only, through brokers and dealers who are, or who act through, DTC Participants (as defined in APPENDIX F - "DTC AND THE BOOK-ENTRY ONLY SYSTEM"). So long as DTC, or its nominee, Cede & Co., is the registered owner of the Bonds, all payments on the Bonds and any notice with respect to any Bond will be sent directly to DTC, and disbursement of such payments and delivery of such notices to the DTC Participants will be the responsibility of DTC. Disbursement of such payments and delivery of such notices to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants as more fully described herein. See APPENDIX F - "DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Interest on the Bonds will be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2010 (each, a "Payment Date") at the rates set forth on the inside cover page hereof, to the holders of record on the immediately preceding January 15 and July 15 (each, a "Record Date") and will mature on February 1 in each of the designated years in the principal amounts set forth on the inside cover page hereof. Each 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 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.

Redemption

Optional Redemption. The Bonds due on or before February 1, 20__ are not subject to redemption prior to their maturity. The Bonds due on or after February 1, 20__ are subject to redemption prior to maturity at the option of the City, in whole or in part at any time on or after February 1, 20__, from any moneys that may be provided for such purpose, at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued and unpaid interest thereon to the date fixed for redemption.

Notice of Redemption. In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the City, of the redemption of such Bonds, at least 30 days but not more than 60 days before each redemption, by first-class mail (or with respect to 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 Bond to be redeemed; each such notice shall be sent to the Owner's registered address. The notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of Bonds, to be redeemed, (ii) state any condition to such redemption and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption.

* Preliminary; subject to change

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall be held in trust to pay the redemption price, such Bonds so called shall become and be due and payable on the redemption date, shall cease to be entitled to any lien, benefit or security under the Trust Agreement other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

Selection of Bonds for Redemption; Bonds Redeemed in Part. 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. Upon surrender of a Bond to be redeemed in part, the Trustee will authenticate for the Owner a new Bond or Bonds of the same maturity equal in principal amount to the unredeemed portion of the Bond surrendered.

ESTIMATED SOURCES AND USES OF PROCEEDS

The estimated sources and uses of funds with respect to the Bonds are expected to be generally as set forth in the following table.

Sources of Funds:

Principal Amount of Bonds	
Net Original Issue Discount/Premium	
Total Sources	

Uses of Funds:

Deposit to Acquisition Fund	
Deposit to Reserve Fund ⁽¹⁾	
Costs of Issuance ⁽²⁾	
Underwriters' Discount	
Total Uses	

⁽¹⁾ Deposit necessary to cause the balance in the Reserve Fund to equal, on the date of issuance and delivery of the Bonds, the Reserve Requirement for the Bonds and the Parity Bonds.

⁽²⁾ Includes rating agencies' fees, Bond Counsel fees and expenses, Disclosure Counsel fees and expenses, Financial Advisor fees and expenses, Trustee fees and expenses, printing costs, and other costs of issuance.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Revenue Pledge

The Bonds are special, limited obligations of the City and are secured solely by and payable from a pledge of the Revenues which includes (i) the Solid Waste Resources Fee received by the SWR Revenue Fund after deduction of administration charges by DWP; (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, including the Extra Capacity Fee further described below; and (iii) the earnings on and income derived from the investment of the amounts set forth in clause (i) and (ii) and from the amounts on deposit in the Reserve Fund. The term "SWR Revenue Fund" (formerly known as the Sanitation Equipment Charge Revenue Fund) includes any successor fund held by the City.

The Solid Waste Resources Fee (formerly known as the "Sanitation Equipment Charge") was first established by Ordinance effective July 21, 1983 (the "SWR Ordinance"). The SWR Ordinance has been amended from time to time such that the Solid Waste Resources Fee currently may be imposed for all costs related to the collection, transfer, recycling, recovery of waste resources and/or disposal of solid waste collected by the City, as well as certain internal costs of the City. See "SOLID WASTE RESOURCES FEE-Charges" herein.

Effective February 19, 1996, the City approved an Extra Capacity Fee (the "Extra Capacity Fee") by Ordinance No. 170868 and began collection of the Extra Capacity Fee, which is a component of Revenues as defined under clause (ii) above, in July 1996. See "SOLID WASTE RESOURCES FEE-Charges" herein.

All Revenues and all amounts on deposit in the SWR Revenue Fund are irrevocably pledged to the payment of the Bonds as provided in the Trust Agreement and to the payment of any Parity Bonds and any Additional Bonds. The Revenues shall not be used during any month of any Fiscal Year for any other purpose if any of the transfers required by the Trust Agreement and the Parity Bond Documents to be made from the SWR Revenue Fund (i) to the debt service funds for the Bonds, the Parity Bonds and any Additional Bonds, (ii) to the Reserve Fund and the reserve funds for any Parity Bonds, and (iii) to the debt service funds for any subordinate obligations, is delinquent. Following such transfers out of the SWR Revenue Fund, the City may use remaining Revenues in the SWR Revenue Fund for any lawful purpose. This pledge constitutes a first lien on the Revenues, subject to application of amounts on deposit therein as provided in the Trust Agreement and the Parity Bond Documents for the payment of debt service on the Bonds, the Parity Bonds and any Additional Bonds in accordance with the terms of the Trust Agreement and the Parity Bond Documents.

Subject to the covenants of the City under the Trust Agreement and applicable law, the City may by ordinance modify the Solid Waste Resources Fee rate and the Extra Capacity Fee. See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT-Alternate Receipt and Deposit of Revenues; Withdrawals."

The City has the option to transfer moneys from the SWR Revenue Fund to the Debt Service Fund for debt service payments on the Bonds, the Parity Bonds and any Additional Bonds on a semiannual rather than a monthly basis, under the conditions specified in the Trust Agreement. Commencing February 2009, the City has made the transfers for debt service payments on the Parity Bonds on a semi-annual basis and will make semiannual payments on the Bonds commencing on January 15, 2010. See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT-Alternate Receipt and Deposit of Revenues; Withdrawals."

Moneys in the SWR Revenue Fund shall be used and applied by the City as provided in the Trust Agreement. The City will maintain all Revenues in the SWR Revenue Fund separate and apart from other funds of the City so long as the Bonds, the Parity Bonds or Additional Bonds remain unpaid. All moneys in the SWR Revenue Fund shall be used and applied to pay Debt Service as defined in the Trust Agreement (see APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT-MASTER TRUST AGREEMENT"), including principal of and interest on the Bonds, the Parity Bonds and any Additional Bonds, and to replenish all reserve funds established for the Bonds, the Parity Bonds and any Additional Bonds, including the Reserve Fund, or for other purposes of the City permitted by law. See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT-Receipt and Deposit of Revenues; Withdrawals."

Parity Bonds

The City has issued six series of Parity Bonds, comprised of Sanitation Equipment Charge Revenue Bonds and Solid Waste Resources Revenue Bonds, under the Master Trust Agreement as Additional Bonds (as hereinafter defined), further described in the table below. The payment of principal and interest on the Parity Bonds is payable from the Revenues on a parity with payment of principal of and interest on the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Parity Bonds" herein. In connection with the issuance of the Parity Bonds, the City and the Trustee entered into the following supplemental trust agreements described in the table below, collectively referred to herein as the "Parity Bond Documents."

Supplemental Trust Agreement	Dated Date	Original Par Amount	Name of Issue
First Supplemental Trust Agreement	September 1, 2001	\$86,640,000	San. Equip. Charge Revenue Bonds, Series 2001-A
Second Supplemental Trust Agreement	April 1, 2003	\$47,825,000	San. Equip. Charge Revenue Bonds, Series 2003-A
Third Supplemental Trust Agreement	December 1, 2003	\$61,120,000	San. Equip. Charge Revenue Bonds, Series 2003-B
Fourth Supplemental Trust Agreement	March 15, 2004	\$56,230,000	San. Equip. Charge Revenue Bonds, Series 2004-A
Fifth Supplemental Trust Agreement	July 1, 2005	\$45,750,000	San. Equip. Charge Revenue Bonds, Series 2005-A
Sixth Supplemental Trust Agreement	September 1, 2006	\$58,370,000	Solid Waste Resources Revenue Bonds, Series 2006-A

The six prior series of bonds comprising the Parity Bonds are outstanding in the aggregate principal amount of \$293,590,000 (as of August 1, 2009) as shown in the table below:

<u>Parity Bonds</u>	<u>Principal Amount Outstanding</u>
Sanitation Equipment Charge Revenue Bonds, Series 2001-A	\$ 51,010,000
Sanitation Equipment Charge Revenue Bonds, Series 2003-A	44,455,000
Sanitation Equipment Charge Revenue Bonds, Series 2003-B	57,775,000
Sanitation Equipment Charge Revenue Bonds, Series 2004-A	40,230,000
Sanitation Equipment Charge Revenue Bonds, Series 2005-A	41,750,000
Solid Waste Resources Revenue Bonds, Series 2006-A	58,370,000
TOTAL	<u>\$ 293,590,000</u>

Debt service payments on the Parity Bonds are shown in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Debt Service Schedule" herein.

Limitations on Parity and Superior Obligations; Additional Bonds

No Obligations Superior to Debt Service Payments on the Bonds and Parity Bonds. The City has covenanted in the Trust Agreement and in the Parity Bond Documents that it will not, so long as any Bonds or Parity Bonds are Outstanding under the Trust Agreement, issue or incur any obligations secured by a pledge of Revenues superior to the pledge securing the payment of principal of and interest on the Bonds and the Parity Bonds.

Obligations on a Parity with the Bonds; Additional Bonds. The City may at any time issue Additional Bonds, provided:

- (1) The Revenues for the most recent Fiscal Year for which the City has unaudited financial statements certified by a City Representative preceding the date of adoption by the City Council of the City of the resolution authorizing the issuance of such Additional Bonds, as evidenced by a calculation prepared by the City Representative on file with the Trustee, shall

have produced a sum equal to at least 125% of the Debt Service (See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT-MASTER TRUST AGREEMENT") for such Fiscal Year; and

(2) The Revenues for the most recent Fiscal Year preceding the date of adoption by the City Council of the City of the resolution authorizing the issuance of such Additional Bonds, including adjustments to give effect as of the first day of such Fiscal Year to increases or decreases in the Solid Waste Resources Fee or other rates and charges described in clause (2) of the definition of Revenues approved and in effect as of the date of calculation, as evidenced by a calculation prepared by the City Representative and on file with the Trustee, shall have produced a sum equal to at least 125% of the Debt Service for such Fiscal Year plus the Debt Service which would have accrued had such Additional Bonds been issued at the beginning of such Fiscal Year; and

(3) The estimated Revenues for the then current Fiscal Year and for the first Fiscal Year thereafter, as evidenced by a certificate of the City Representative on file with the Trustee, plus an allowance for estimated Revenues for each of such Fiscal Years arising from any increase or decrease in the Solid Waste Resources Fee or other rates and charges described in clause (2) of the definition of Revenues estimated to be fixed and prescribed to the extent such increases or decreases shall take effect during such period, as evidenced by a certificate of the City Representative on file with the Trustee, shall produce a sum equal to at least 125% of the estimated maximum annual Debt Service for each of such Fiscal Years, after giving effect to the issuance of such Additional Bonds.

In addition, the documents relating to each series of Additional Bonds shall provide that, prior to or simultaneous with the issuance of such series of Additional Bonds, there shall be deposited into the Reserve Fund an amount equal to the difference between the Reserve Requirement for the Bonds, the Parity Bonds and such Additional Bonds and the amount on deposit therein on the date of issuance of the Additional Bonds. Notwithstanding the foregoing, such deposits may be in the form of a credit facility as provided below under "Reserve Fund."

Maintenance of Solid Waste Resources Fee

The City has covenanted in the Trust Agreement that if at any time during the Fiscal Year the City determines that the Solid Waste Resources Fee is not being maintained at a level sufficient to provide for payment of all Debt Service within the Fiscal Year, together with any amount required to replenish the Reserve Fund following a withdrawal therefrom and to pay all costs, fees and expenses to be paid by the City under the Trust Agreement, the City will take action at that time to maintain the Solid Waste Resources Fee at a level sufficient to provide for payment of all Debt Service within the Fiscal Year, together with any amount required to replenish the Reserve Fund following a withdrawal therefrom and to pay all costs, fees and expenses required to be paid by the City under the Trust Agreement; provided, however, that to the extent the City designates other legally available funds for such payment, it need not increase the Solid Waste Resources Fee. Under Proposition 218, approved by California voters in November 1996, any increase in the Solid Waste Resources Fee may require a public hearing, preceded by mailed notice, and be subject to a majority written protest. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Proposition 218" below.

Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 added Articles XIII C and XIII D to the California Constitution and

contains a number of interrelated provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments and property related fees and charges.

Article XIID contains several provisions affecting property related “fees” and “charges,” which are defined for purposes of Article XIID to mean “any levy other than an ad valorem tax, a special tax, or an assessment, imposed by a local governmental entity upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property related service.”

Notice, Public Hearing and Majority Protest. Article XIID requires that any local government imposing or increasing any property related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such property related fee or charge is proposed to be imposed, and must conduct a public hearing with respect thereto. The proposed property related fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it. As a result, if the Solid Waste Resources Fee or the Extra Capacity Fee is determined to be a “fee” or “charge” for a property related service as defined in Proposition 218, any increase in the Solid Waste Resources Fee or the Extra Capacity Fee would require a public hearing, preceded by mailed notice, and would be subject to a majority written protest.

The City currently provides written notices to all property owners receiving service in connection with proposed increases in Solid Waste Resources Fee and the Extra Capacity Fee and holds public hearings with respect to such proposed increases as if they were subject to the provisions of Proposition 218.

Election Requirement for Certain Fees or Charges. In addition, Article XIID provides that, except for fees or charges for sewer, water and refuse collection services, no property related fee or charge may be imposed or increased unless such fee or charge is submitted and approved by a majority vote of the property owners of the property subject to the fee or charge, or at the option of the local governmental entity, by a two-thirds vote of the electorate residing in the affected area.

The City believes that the Solid Waste Resources Fee and the Extra Capacity Fee would be deemed to be fees and charges for “refuse collection services” and not subject to this election requirement, although there can be no assurance that a court would not determine otherwise.

Limitations on Uses of Fees or Charges. Article XIID also includes the following limitations applicable to property related fees or charges: (i) revenues derived from the fee or charge may not exceed the funds required to provide the property related service; (ii) revenues derived from the fee or charge may not be used for any purpose other than that for which the fee or charge was imposed; (iii) the amount of a fee or charge imposed upon any parcel or person as an incident of property ownership may not exceed the proportional cost of the service attributable to the parcel; and (iv) no fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question.

The City believes that the Solid Waste Resources Fee and the Extra Capacity Fee satisfy these requirements, although there can be no assurance that a court would not determine otherwise. See “DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION SOLID WASTE OPERATIONS – Department of Public Works, Bureau of Sanitation Budgeted General Fund Expenditures.”

Judicial Interpretation of Article XIID. In *Bighorn-Desert View Water Agency v. Beringson* (“*Bighorn*”), the California Supreme Court held that that fees and charges for ongoing water service through an existing connection were property related fees and charges imposed on a person as an incident of property ownership for purposes of Article XIID, whether the fees and charges are calculated based on consumption or are imposed as a fixed monthly fee.

Initiative Power. Article XIIC provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments. Article XIIC does not define the terms “local tax,” “assessment,” “fee” or “charge.”

Judicial Interpretation of Article XIIC. In its review in *Bighorn*, the California Supreme Court stated that the absence of a restrictive definition of “fee” or “charge” in Article XIIC suggests that those terms include all levies that are ordinarily understood to be fees or charges, including all of the property-related fees and charges subject to Article XIID. Though the Supreme Court did not arrive at an exact definition of such terms, it did conclude that fees and charges within the meaning of Article XIID are fees and charges within the meaning of Article XIIC. See “ - Judicial Interpretation of Article XIID” above.

No assurance can be given that the voters of the City will not, in the future, approve an initiative which reduces or repeals local taxes, assessments, fees or charges, including a reduction of all or any portion of the Solid Waste Resources Fee or the Extra Capacity Fee securing the Bonds. The use of the initiative power is arguably limited in the case of levies directly pledged to bonded indebtedness, such as the Solid Waste Resources Fee and the Extra Capacity Fee securing the Bonds. However, there can be no assurance that the voters of the City will not approve an initiative which attempts to reduce the Solid Waste Resources Fee or the Extra Capacity Fee.

The interpretation and application of Proposition 218 will likely be subject to further judicial determinations, and it is not possible at this time to predict with certainty the outcome of such determinations.

The ability of the City to comply with the covenants in the Trust Agreement, including the rate covenant described under “Maintenance of Solid Waste Resources Fee” above, could be adversely affected by actions taken (or not taken) by voters, property owners or other persons obligated to pay the Solid Waste Resources Fee or Extra Capacity Fee. The opinion to be delivered by Sidley Austin LLP, Bond Counsel, concurrently with the issuance of the Bonds to the effect that the Trust Agreement constitutes a legal, valid and binding obligation of the City will be subject to various limitations, including any limitation on the imposition and collection of Solid Waste Resources Fees or Extra Capacity Fees as a result of the application of the provisions of Proposition 218. See APPENDIX D - “PROPOSED FORM OF BOND COUNSEL OPINION.”

For further discussion regarding the potential impact of Proposition 218 on the City’s General Fund, see APPENDIX A - “CITY OF LOS ANGELES INFORMATION STATEMENT - Limitations on Taxes and Appropriations.”

Reserve Fund

Concurrently with the issuance of the Bonds, pursuant to the Seventh Supplemental Trust Agreement, there shall be created within the Reserve Fund created and held under the Master Trust Agreement a separate account to be designated as the “Series 2009-A 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 Bonds for rebate purposes as set forth in the Seventh Supplemental Trust Agreement, but for all other purposes shall be held, invested and used as an integral part, of the Reserve Fund as provided in the Master Trust Agreement. The Master Trust Agreement provides that the Reserve Fund shall be held as a separate and distinct fund for the pro rata benefit of all Outstanding Bonds and Parity Bonds as measured by outstanding principal amount and shall be available to make payments on the Bonds and the Parity Bonds.

The Reserve Fund is held and invested by the Trustee, at the direction of the City, in Permitted Investments, as defined in the Trust Agreement. See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT - MASTER TRUST AGREEMENT." The Master Trust Agreement provides that the Trustee shall semiannually on or about February 1 and August 1 of each year and at such other times as the City shall request, value the Reserve Fund on the basis of the cost value thereof. As of July 10, 2009 the Reserve Fund was funded in the amount of \$31,717,534.66.

The Reserve Fund was established in connection with the initial series of bonds secured by the Revenues and amounts have been deposited in the Reserve Fund upon the issuance of each series of Parity Bonds sufficient to meet the Reserve Requirement for the bonds then issued and the previously issued Parity Bonds. Upon initial delivery of the Bonds, an additional \$_____ will be deposited in the Reserve Fund from proceeds of the Bonds. This amount, plus the amount on deposit in the Reserve Fund, will be sufficient to meet the Reserve Requirement of \$_____. Pursuant to the Trust Agreement, the term "Reserve Requirement" is defined to mean, with respect to the Bonds or such series of Additional Bonds or Parity Bonds as of the date of calculation, the least of (a) the maximum annual Debt Service with respect to the Bonds or such series of Parity Bonds or Additional Bonds, (b) 125% of the average annual aggregate Debt Service with respect to the Bonds or such series of Parity Bonds or Additional Bonds, and (c) 10% of the proceeds of the Bonds or such series of Parity Bonds or Additional Bonds; provided, however, the Reserve Requirement with respect to the Parity Bonds, all series of Additional Bonds and the Bonds combined shall not exceed the maximum annual Debt Service with respect to the Parity Bonds, the Bonds and all series of Additional Bonds combined. The Reserve Fund is held as a separate and distinct fund for the *pro rata* benefit of the Parity Bonds, the Bonds and all series of Additional Bonds. The Trustee will deposit in the Reserve Fund the amounts required to be deposited therein pursuant to the Trust Agreement and apply moneys in the Reserve Fund in accordance with the Trust Agreement.

If on any interest or principal payment date with respect to the Parity Bonds, the Bonds or any series of Additional Bonds, the moneys available are insufficient to make the payments required with respect to the Parity Bonds, the Bonds or such series of Additional Bonds on such payment date, the Trustee will transfer from the Reserve Fund to the applicable fund the amount of such insufficiency.

In the event that the Trustee has transferred moneys from the Reserve Fund in accordance with the Trust Agreement, upon receipt of the moneys from the City to increase the balance in the Reserve Fund to the Reserve Requirement, the Trustee will deposit such moneys in the Reserve Fund.

At the option of the City, a credit facility in the amount of all or a portion of the Reserve Requirement may be substituted for the funds held by the Trustee in the Reserve Fund as provided in the Trust Agreement. See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT - Reserve Fund."

Investment of Funds

Moneys on deposit in the SWR Revenue Fund are currently held and invested by the Treasurer of the City in the Treasurer's general pooled investment fund (the "Pool"). See APPENDIX A - "CITY OF LOS ANGELES INFORMATION STATEMENT-FINANCIAL OPERATIONS - Investment Practices" for information on the City's investment practices.

Certain proceeds of the Bonds and other moneys required to be deposited by the City to the funds and accounts established under the Trust Agreement will be held and invested by the Trustee, at the direction of the City, in Permitted Investments, as defined in the Trust Agreement. See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT - MASTER TRUST

AGREEMENT.” The City anticipates that the proceeds of the Bonds deposited to the Acquisition Fund will be held by the Treasurer of the City and invested in Permitted Investments.

Limited Liability

Notwithstanding anything contained in the Trust Agreement, the City shall not be required to advance any moneys derived from any source of income other than the Revenues, the SWR Revenue Fund and the other funds provided in the Trust Agreement for the payment of principal and interest on the Bonds. The City may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and which may be legally used by the City for such purpose.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY AND ARE SECURED SOLELY BY AND PAYABLE FROM A PLEDGE OF THE REVENUES. THE BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE BONDS DO NOT CONSTITUTE A DEBT OR AN INDEBTEDNESS OF THE CITY, THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF THE CONSTITUTION OR STATUTES OF THE STATE.

The Bonds are not secured by, and the Owners have no security interest in or mortgage on, the Project, or the solid waste collection and disposal system of the City or any other property of the City (other than the SWR Revenue Fund). Default by the City on the payment of the Bonds will not result in loss of the Project. Should the City default, the Trustee may take whatever actions are available legally to enforce performance and observance of any obligation, agreement or covenant of the City under the Trust Agreement. Neither the Trustee nor the Owners are permitted to accelerate the payment by the City of the principal of and interest on the Bonds under any circumstances. See APPENDIX C - “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT.”

Debt Service Schedule

The following table sets forth the amounts required in each fiscal year for the payment of principal and interest on the Bonds and the Parity Bonds. The debt service payments on the Parity Bonds are secured by the Revenues on parity with the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Parity Bonds.”

**TABLE NO. 1
DEBT SERVICE SCHEDULE**

<u>Interest Payment Date</u>	<u>Series 2009-A Bonds</u>		<u>Parity Bonds</u>		<u>Total Debt Service</u>	<u>Total Annual Debt Service</u>
	<u>Total Principal Outstanding</u>	<u>Total Interest Outstanding</u>	<u>Total Principal Outstanding</u>	<u>Total Interest Outstanding</u>		
2/1/2010			\$ 22,150,000	6,916,864	29,066,864	\$ 35,983,729
8/1/2010			-	6,388,083	6,388,083	
2/1/2011			21,745,000	6,388,083	28,133,083	34,521,166
8/1/2011			-	5,889,641	5,889,641	
2/1/2012			22,720,000	5,889,641	28,609,641	34,499,281
8/1/2012			-	5,379,766	5,379,766	
2/1/2013			23,710,000	5,379,766	29,089,766	34,469,531
8/1/2013			-	4,812,709	4,812,709	
2/1/2014			24,785,000	4,812,709	29,597,709	34,410,419
8/1/2014			-	4,232,472	4,232,472	
2/1/2015			25,965,000	4,232,472	30,197,472	34,429,944
8/1/2015			-	3,601,247	3,601,247	
2/1/2016			27,190,000	3,601,247	30,791,247	34,392,494
8/1/2016			-	2,978,509	2,978,509	
2/1/2017			28,440,000	2,978,509	31,418,509	34,397,019
8/1/2017			-	2,298,178	2,298,178	
2/1/2018			29,790,000	2,298,178	32,088,178	34,386,356
8/1/2018			-	1,577,647	1,577,647	
2/1/2019			21,000,000	1,577,647	22,577,647	24,155,294
8/1/2019			-	1,067,022	1,067,022	
2/1/2020			14,915,000	1,067,022	15,982,022	17,049,044
8/1/2020			-	706,709	706,709	
2/1/2021			5,770,000	706,709	6,476,709	7,183,419
8/1/2021			-	583,438	583,438	
2/1/2022			6,020,000	583,438	6,603,438	7,186,875
8/1/2022			-	451,669	451,669	
2/1/2023			6,280,000	451,669	6,731,669	7,183,338
8/1/2023			-	314,188	314,188	
2/1/2024			6,555,000	314,188	6,869,188	7,183,375
8/1/2024			-	163,875	163,875	
2/1/2025			1,185,000	163,875	1,348,875	1,512,750
8/1/2025			-	134,250	134,250	
2/1/2026			1,245,000	134,250	1,379,250	1,513,500
8/1/2026			-	103,125	103,125	
2/1/2027			1,310,000	103,125	1,413,125	1,516,250
8/1/2027			-	70,375	70,375	
2/1/2028			1,375,000	70,375	1,445,375	1,515,750
8/1/2028			-	36,000	36,000	
2/1/2029			1,440,000	36,000	1,476,000	1,512,000
8/1/2029						
TOTAL			\$ 293,590,000	\$ 95,411,533	\$ 389,001,533	\$ 389,001,533

⁽¹⁾ Totals may not add due to independent rounding.

THE PROJECT

Description

The capital project to be financed with the proceeds of the Bonds is the acquisition of equipment and vehicles and automated recycling containers (collectively, the "Project").

The following items are expected to be financed with the proceeds of the Bonds:

Project Item	Estimated Costs
Solid Waste Trucks, Other Vehicles and Related Equipment	\$46,923,000
Automated Recycling Containers	<u>18,501,000</u>
TOTAL	<u>\$65,424,000</u>

See "DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION SOLID WASTE OPERATIONS - Processing and Disposal."

The Bonds are not secured by, and the owners of the Bonds have no security interest in or mortgage on, the Project.

Substitution of Project

The City may substitute other capital items for the Project described above and may add additional items in compliance with the provisions of the Trust Agreement.

SOLID WASTE RESOURCES FEE

Background

The Solid Waste Resources Fee (formerly known as the Sanitation Equipment Charge), which is the primary component of Revenues, is imposed on all single family dwellings in the City and those multiple unit dwellings for which the City provides solid waste collection services. The City provides household solid waste collection services to any residential dwelling on the basis of whether solid waste containers are placed upon the street for City collection. In practice, most multiple unit dwellings that receive City collection consist of buildings with four or fewer units. A moratorium, imposed by the City Council in 1990, stipulates that no new multiple unit dwellings over four units may be added for City solid waste collection service.

The Solid Waste Resources Fee (formerly known as the Sanitation Equipment Charge) was instituted by the City Council pursuant to Ordinance No. 157819 effective July 21, 1983 (as amended to date, the "SWR Ordinance"). The SWR Ordinance has been amended from time to time such that the Solid Waste Resources Fee currently may be imposed for all costs related to the collection, transfer, recycling, recovery of waste resources and/or disposal of solid waste collected by the City of Los Angeles including, but not limited to: salaries, direct and indirect overhead, equipment, ancillary equipment, refuse and recycling containers and vehicles, landfill costs, whether for disposal or for resource recovery facilities or refuse to energy and fuel facilities or closure of City owned facilities, development, acquisition, construction, operation and maintenance of equipment, alternative fuel infrastructure, buildings or facilities used in the collection, recycling, recovery of waste resources and/or disposal of solid waste or storage of solid waste related equipment, transfer facilities, resource recovery facilities or transfer equipment, maintenance of transfer facilities or equipment, or for facilities and equipment used in the recovery of waste resources in the form of energy, alternative fuels or manufacturing feedstocks, and all related costs of the services provided in the collection, the availability of collection, transfer, recycling,

the availability of recycling, the recovery of waste resources, disposal and the availability of disposal of solid waste.

Charges

The Trust Agreement requires that the City maintain the Solid Waste Resources Fee at a level sufficient at all times to provide for payment of all Debt Service within each Fiscal Year, and other costs of the City. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Maintenance of Solid Waste Resources Fee" herein. The City reviews the Solid Waste Resources Fee and the actual receipts thereof in order to ensure that its obligations under the Trust Agreement are met. The Solid Waste Resources Fees are calculated to recover the internal costs of the solid waste program from all departments of the City supporting the program. All City charges are reviewed annually by the City Administrative Officer as part of the budgetary process. See APPENDIX A - "CITY OF LOS ANGELES INFORMATION STATEMENT-CITY FINANCIAL INFORMATION - Budgetary Process."

The Solid Waste Resources Fee was first enacted in 1983 and levied a fee of \$1.50 per month for all single family residences and \$1.00 per month per unit in a multiple dwelling unit residence served by the City. The Solid Waste Resources Fee has been increased nine times and decreased one time by the City Council since 1983. Residents currently can dispose of 240 gallons a week per single family residence (60 gallons for general household refuse, 90 gallons for yard trimmings and 90 gallons for recyclable materials) and 60 gallons a week per unit in multiple unit dwellings for general household refuse (with an additional 90 gallons provided to each parcel for yard trimmings and an additional 90 gallons provided to each parcel for recyclable materials), at a rate of \$36.32 per month for single family dwellings and \$24.33 per month per unit for multiple unit dwellings.

The following table provides historical levels of the Solid Waste Resources Fee for single family and multiple dwelling unit residences.

**TABLE NO. 2
SOLID WASTE RESOURCES FEE
RATE HISTORY**

Fiscal Years	Monthly Charge	
	Single-Family Dwelling Unit	Multi-Family Dwelling Unit
1983-1990 ⁽¹⁾	\$1.50	\$1.00
1990-1992 ⁽²⁾	3.00	2.00
1992-1994 ⁽³⁾	6.00	4.00
1994-1996 ⁽⁴⁾	4.50	3.00
1996-2003 ⁽⁵⁾	6.00	4.00
2003-2004 ⁽⁶⁾	10.00	6.60
2004-2006 ⁽⁷⁾	11.00	7.27
2006-2007 ⁽⁸⁾	18.00	11.88
2007 ⁽⁹⁾	22.00	14.52
2007-2008 ⁽¹⁰⁾	26.00	17.16
2008-2009 ⁽¹¹⁾	36.32	24.33

⁽¹⁾ Established July 21, 1983.

⁽²⁾ Increase effective July 5, 1990.

⁽³⁾ Increase effective January 20, 1993.

⁽⁴⁾ Decrease effective July 1, 1994.

⁽⁵⁾ Increase effective July 1, 1996.

⁽⁶⁾ Increase effective October 25, 2003.

⁽⁷⁾ Increase effective July 1, 2004.

⁽⁸⁾ Increase effective September 1, 2006.

⁽⁹⁾ Increase effective July 1, 2007.

⁽¹⁰⁾ Increase effective September 20, 2007.

⁽¹¹⁾ Increase effective September 8, 2008.

The current rates are set forth in an ordinance adopted by the City Council with the concurrence of the Mayor on August 6, 2008. Such ordinance was effective on September 8, 2008. The Solid Waste Resources Fee increases beginning in 2006-07 were intended to reduce the City General Fund contribution to costs related to solid waste operations and facilities. The final increase effective September 8, 2008 provided for full recovery of budgeted costs, except that the General Fund is still responsible for paying for service to lifeline customers, which are exempted from paying the Solid Waste Resources Fee as discussed below, and for service to certain City departments.

The following table sets forth the City's contributions to costs related to solid waste operations and facilities from its General Fund since July 1, 2006. Table 3 includes the entire cost of the City's Solid Waste Program, including costs and debt service relating to GSD, in addition to the Bureau of Sanitation's costs.

**TABLE NO. 3
FUNDING SOURCES OF THE SOLID WASTE PROGRAM
Fiscal Years 2006-07 through 2008-09
(Dollar Amounts in Thousands)**

	2006-07 Actual Cost	2007-08 Actual Cost	2008-09 Estimated Cost	2009-10 Budgeted Cost
General Fund	\$ 138,993	\$ 73,898	\$ 20,000	\$ 21,833
Solid Waste Resources Fee	111,611	183,523	245,838	264,000
Other Sources (Uses) of Funds ¹	36,576	47,258	39,021	53,156
Total Cost of the Program	\$ 287,180	\$ 304,679	\$ 304,859	\$ 338,989

¹Other sources of funds include various special funds, credits and interest from debt service reserves and reduction of the balance of the Solid Waste Resources Revenue Fund. Other uses of funds include addition to the balance of the Solid Waste Resources Revenue Fund.

Further increases in the Solid Waste Resources Fee have not yet been adopted by the City Council. The current rates are expected to provide sufficient revenues to pay operations and facilities costs and debt service on all Outstanding Bonds and Outstanding Parity Bonds through at least FY 2010-11. The City Council will consider further increases as necessary to recover the costs of solid waste operations and facilities in the future. See "DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION SOLID WASTE OPERATIONS-Department of Public Works, Bureau of Sanitation Budgeted General Fund Expenditures."

The City Council approved the Extra Capacity Fee Ordinance, Ordinance No. 170868, on January 3, 1996. The Extra Capacity Fee, which was first imposed in July 1996, is a charge of \$5.00 per month for each additional 30 gallons of refuse, \$2.50 per month for each additional 30 gallons of yard trimmings and \$2.00 for a tag to allow 30 gallons of intermittent extra capacity. Effective August 22, 2002, the City amended the Extra Capacity Fee by Ordinance No. 174699 to increase the standard yard trimming allowance to 90 gallons.

Subject to the covenants of the City under the Trust Agreement and applicable law, the City may by ordinance modify the Solid Waste Resources Fee rate and the Extra Capacity Fee. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Charges" and " - Proposition 218." See, also, APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT-Alternate Receipt and Deposit of Revenues; Withdrawals."

Exemptions From Solid Waste Resources Fee

Certain exemptions from the Solid Waste Resources Fee are allowed pursuant to the SWR Ordinance. Multiple dwelling unit residences which do not utilize household solid waste collection services from the City are not subject to the Solid Waste Resources Fee imposed by the SWR Ordinance. An exemption for this reason is available as long as a multiple dwelling unit residence can be verified as not receiving solid waste collection services from the City. Such exemptions are granted or removed upon verification of lack of service by field inspectors from the Department of Public Works, Bureau of Sanitation (the "Bureau"). Upon verification, exemption information is provided to DWP by the Bureau in order to update billing and collection information.

A second major category of exemptions applies to lifeline customers, which are senior or certain disabled citizens who qualify for an exemption from the Solid Waste Resources Fee pursuant to the SWR Ordinance. An individual 62 years or older or a disabled individual shall not be liable for the payment of the Solid Waste Resources Fee provided that the adjusted gross income for the household in which such individual resides is less than a certain level specified in the SWR Ordinance. There are currently approximately 54,000 lifeline customers who have applied to the Department of Water and Power and have received the exemption. In addition, refund claims for previously paid amounts of the Solid Waste Resources Fee for a period within twelve months of the date of the filing may be submitted by senior or disabled individuals who qualify for an exemption for the first time. The amounts of such refund claims historically have been negligible.

Billing and Collection

The collection of the Solid Waste Resources Fee imposed by the SWR Ordinance occurs under the direction, supervision and control of the City's Director of Finance. However, the SWR Ordinance also calls for the Director of Finance to arrange for the billing and collection of, and accounting for, the Solid Waste Resources Fee through and by available facilities of the Department of Water and Power of the City of Los Angeles ("DWP") and to pay for the costs of such services. Under the SWR Ordinance, the Director of Finance has the ability to establish separate billing and collection services; however, since

the inception of the Solid Waste Resources Fee, billing and collection services have been provided by DWP. The City currently expects to continue to use the billing and collection services of DWP but may elect not to do so at any time.

As the exclusive provider of water service and practically the sole provider of electric service to the City's residents, DWP regularly bills for its services and collects accounts receivable from its customers. DWP includes the Solid Waste Resources Fee on its bimonthly bill which includes charges for water, electric and sewer services and certain taxes as well as the Solid Waste Resources Fee (each a "Billed Account"). Beginning in fiscal year 2007-08, the City began also including on the DWP bill the Multifamily Bulky Item Fee, imposed on multifamily complexes for which the City provides bulky item collection services, but which are not subject to the Solid Waste Resources Fee.

Payments received by DWP are credited first to the accounts in arrears in the following order: (i) water reconnection charge, (ii) electric reconnection charge, (iii) water arrears greater than 90 days, (iv) electric and city tax arrears greater than 90 days, pro rata, (v) sewer charge arrears greater than 90 days, (vi) Solid Waste Resources Fee arrears greater than 90 days, (vii) Multifamily Bulky Item Fee arrears greater than 90 days, (viii) water arrears greater than 60 days, (ix) electric and city tax arrears greater than 60 days, pro rata, (x) sewer charge arrears greater than 60 days, (xi) Solid Waste Resources Fee arrears greater than 60 days, (xii) Multifamily Bulky Item Fee arrears greater than 60 days, (xiii) water arrears greater than 30 days, (xiv) electric and city tax arrears greater than 30 days, pro rata, (xv) sewer charge arrears greater than 30 days, (xvi) Solid Waste Resources Fee arrears greater than 30 days, (xvii) Multifamily Bulky Item Fee arrears greater than 30 days, (xviii) water late payment charge and (xix) electric late payment charge. Remaining amounts are then credited to the current amounts for each utility in the order set forth in the previous sentence. This procedure brings any customer's delinquent charges for each utility current prior to applying amounts received to such customer's current charges.

For any individual payment, the customer may specify the application of his payment to a specific charge. This is infrequent, occurring only when, in correspondence or in person, the customer specifically states such a direction. Then, for that payment only, a payment code is entered so that the charge specified by the customer is paid first. Any remainder is then applied to the other charges in the above sequence. For example, if a customer directs that his/her payment be applied to the water bill, items (i), (iii), (viii), (xiii), and (xviii) listed in the preceding paragraph and current water charges are paid in that order. Any remainder is then applied from (ii) through (xvi) listed in the preceding paragraph and then to current charges. Moreover, when accounts are assigned to collection agencies, payments received on those accounts are posted to DWP charges (water and electric) first, in the above sequence, and then to non-DWP charges.

Though partial utility payments could result in the Solid Waste Resources Fee not being credited in a given billing period due to the hierarchy of credits described in the previous paragraph, payments in the subsequent billing period would be credited to the Solid Waste Resources Fee before being credited to the electric and water charges. In this way, any failure to pay part of a utility bill will eventually result in outstanding electric and water balances, triggering the procedure for discontinuing service (described in the following paragraph) if those balances exceed \$150. Non-payment of the Solid Waste Resources Fee portion of the utility bill will eventually lead to unpaid electric and/or water balances because of the hierarchy of credits discussed above, possibly leading to service termination.

DWP's policy for most customers is that when a utility account in arrears reaches \$150, procedures for discontinuing service are started and a delinquency charge of 18 percent per year is applied to outstanding electric and water balances greater than \$150. The first step in the procedure to discontinue service is a "final notice." This notice is mailed to the customer within 30 to 35 days after the

past due balance of the account reaches a certain level in arrears (ranging from \$25 to \$125, depending on the customer's credit standing with DWP). This notice provides the customer a "last day to pay," which is typically accompanied by a grace period of 10 to 12 days. Field collection is then instituted if the delinquent amount remains over \$50. After the "last day to pay" a five-day shut off notice is mailed to the customer. A customer's failure to pay by the conclusion of the five-day period leads to a temporary shut off of water and/or electrical service on the first field call. Should the bill remain unpaid ten days after the initial shut off, the water and/or electrical service may be permanently discontinued after another check in the field.

If the customer billed is delinquent and fails to pay, the City is authorized after delivery of a 15-day notice to impose a separate penalty for nonpayment of the Solid Waste Resources Fee of twenty-five percent (25%) of the amount of the delinquent charges, but not less than \$5.00. The City has never imposed such penalties, however.

Certain DWP customers receive water and electric service by means of a master meter which may service multiple dwelling units. Water and electrical service to multiple dwelling unit residences serviced through a master meter may be disconnected for delinquent payments. In February 1998, the DWP implemented the Utility Maintenance Program as an alternative to the termination of master-metered service. The program is built on the existing Rent Escrow Accounts Program. Tenants who participate in the program have the option of putting their rent into an escrow trust fund established by the Los Angeles Housing Department to maintain utility services until such time as the delinquent bill is paid in full.

Service locations involving customers whose water and electrical service is discontinued due to delinquent payments are monitored by DWP collections personnel. Unless a customer vacates the service location, DWP collections personnel will continue to regard the customer's account as an active account and attempt collection of the delinquent payments. Should the customer vacate the service location, a closing bill is generated which initiates further collection efforts. An outside collection agency may be used on accounts owing from \$10 to \$5,000 as soon as 45 days after the closing bill is issued. Accounts owing \$5,000 or more are referred to the City Attorney for legal action. If the delinquent amount remains outstanding three months after the closing bill has been issued, the amount owed is written off.

During the first few weeks of each month, the Department of Water and Power transfers weekly estimated Solid Waste Resources Fee revenue to the Bureau of Sanitation. The last weekly transfer of each month is adjusted to reflect the actual Solid Waste Resources Fee revenue collected in the prior month. The amount remitted to the Bureau of Sanitation is also reduced by administrative charges (currently \$109,600 per month), refunds of incorrectly billed charges, bank returned checks and other adjustments. These receipts are deposited in the SWR Revenue Fund maintained by the City.

The following table summarizes the collection history for the previous ten fiscal years for the Solid Waste Resources Fee. The amount shown for billings and collections represents the amounts billed and the amounts collected by DWP. The remittance to the City reflects collections less (i) DWP's administrative charges, (ii) refunds of incorrectly billed charges and (iii) any corrections. The remittance to the City does not include interest earnings on collections. Remittances are deposited in the SWR Revenue Fund held by the City Treasurer.

TABLE NO. 4
DEPARTMENT OF WATER AND POWER
BILLINGS AND COLLECTIONS
SOLID WASTE RESOURCES FEE
Fiscal Years 1997-98 through March 2009 of FY 2008-09

Fiscal Year	Billings	Collections	Collection Rate ⁽¹⁾	Remittance to City
1997-98	\$47,720,498	\$47,041,581	98.58	\$47,385,940
1998-99	51,251,468	47,885,800	93.43	47,902,630
1999-00	48,119,654	47,904,481	99.55	46,638,552
2000-01	49,063,308	48,408,174	98.66	47,180,689
2001-02	49,791,412	49,146,811	98.71	48,864,041
2002-03	48,223,368	49,046,622	101.71	49,804,757
2003-04	69,315,104	66,555,962	96.02	67,053,351
2004-05	88,254,936	87,161,181	98.76	87,412,019
2005-06	88,511,139	88,288,321	99.75	86,638,349
2006-07	128,444,105	123,326,171	96.02	119,117,583
2007-08	191,110,979	182,899,335	95.70	191,040,176
2008-09 ⁽²⁾	193,529,855	181,793,786	93.94	172,852,012

⁽¹⁾ The collection rate varies from year to year and may exceed 100% because of differences in the average time taken by customers to pay their bills and differences in the estimations used to calculate remittances of the Solid Waste Resources Fee at fiscal year-end.

⁽²⁾ Fiscal year-to-date estimated for July 2008 through March 2009 of FY 2008-09.

Source: Department of Water and Power of the City of Los Angeles.

Historical Debt Service Coverage

The following table provides a history of debt service coverage on the Parity Bonds from fiscal year 2004-05 through 2008-09.

TABLE NO. 5
HISTORICAL DEBT SERVICE COVERAGE
Fiscal Years 2004-05 through 2008-09
(Dollar Amounts in Thousands)

	2004-05	2005-06	2006-07	2007-08	2008-09
Solid Waste Resources Fee and Extra Capacity Fee ⁽¹⁾	\$87,412	\$86,638	\$119,117	\$191,040	\$245,838
Interest	218	600	855	1,131	816
Pledged Revenues	\$87,630	\$86,076	118,057	190,211	246,654
Debt Service	\$35,567	\$39,500	40,922	37,322	36,085
Debt Service Coverage	2.46x	2.18x	2.88x	5.10x	6.84x

⁽¹⁾ Solid Waste Resources Fee actually remitted to City after deducting DWP administration charges.

Source: Department of Public Works, Bureau of Sanitation.

Pro Forma Statement of Debt Service Coverage

The following table presents a projection of Solid Waste Resources Fee and Extra Capacity Fee revenues available to pay debt service payable in each fiscal year on the Bonds and the Parity Bonds. This projection assumes only those increases in the Solid Waste Resources Fee or the Extra Capacity Fee that currently have been approved by the City. See "SOLID WASTE RESOURCES FEE-Charges" herein. See also, "DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION SOLID WASTE OPERATIONS - Future Borrowing Plans."

TABLE NO. 6
PRO FORMA STATEMENT OF DEBT SERVICE COVERAGES
Fiscal Years 2009-10 through 2013-14
(Dollar Amounts in Thousands)

	2009-10	2010-11	2011-12	2012-2013	2013-2014
Solid Waste Resources Fee and Extra Capacity Fee(1)	\$264,000	\$265,302	\$266,613	\$267,928	\$269,251
Interest	100	100	100	100	100
Pledged Revenues	\$264,100	\$265,402	\$266,713	\$268,028	269,351
Debt Service					
Series 1999-A Bonds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Series 2001-A Bonds	6,504	6,505	6,092	6,091	6,094
Series 2003-A Bonds	8,563	8,506	8,466	8,431	8,406
Series 2003-B Bonds	6,087	6,142	6,594	6,459	6,362
Series 2004-A Bonds	6,012	3,052	3,050	3,220	3,338
Series 2005-A Bonds	6,388	4,638	4,639	4,644	4,641
Series 2006-A Bonds	2,430	5,680	5,658	5,624	5,569
Series 2009-A Bonds(2)	2,700	6,631	6,602	6,598	6,601
Total Debt Service(3)	\$ 38,684	\$ 41,154	\$ 41,101	\$ 41,067	\$ 41,011
Debt Service Coverage	6.83x	6.45x	6.49x	6.53x	6.57x

(1) Estimated Solid Waste Resources Fee to be remitted to City after deducting DWP administrative charges.

(2) Estimate.

(3) Totals may not add due to rounding.

Source: Department of Public Works, Bureau of Sanitation.

Risk Factors Relating to Fee Collection and Revenues

No assurances can be given that the above levels of projected revenues from the Solid Waste Resources Fee and Extra Capacity Fee (the "Fees") which comprise the Revenues securing the Bonds will, in fact, be realized. To some degree, the operations of the Bureau and the collection of the Fees are affected by the overall economic conditions affecting the City, particularly the real estate economy of the City affecting owners and occupants of single family real properties in the City. As of the date of issuance of the Bonds, the City, State and national economies are in a severe recession. This has resulted locally in job losses and a severe downturn in the local real estate economy due to a substantial increase in foreclosures of single-family homes and an increase in commercial real estate vacancies. These conditions are of unknown duration and severity.

While the Bureau's services are essential to propertyowners in the City, economic conditions which adversely affect the ability of propertyowners to pay for property-related costs and services, such as mortgages, property taxes and utility bills, including trash collection fees, will also have an adverse effect on the collection of the Fees. The Department has realized operational savings in the 2008-09 fiscal year as a result of the decrease in trash generation and a consequent reduction in tipping fees at landfills. However, it is unknown what the experience of the Department will be in receiving Fee collections, netted against any reduced operating costs, during the duration of the current economic conditions. The Department's collection rate is reduced for the period from July 2008 to March 2009 in the current fiscal year. See "TABLE NO. 4--DEPARTMENT OF WATER AND POWER--BILLINGS AND COLLECTIONS--SOLID WASTE RESOURCES FEE--Fiscal Years 1997-98 through 2008-09." It can be expected that property owners whose property is in foreclosure or who have lost their jobs will likely be delinquent in paying their property-related fees and charges, such as the Fees.

In addition to the effects of economic conditions on the Fees, the scope of the Bureau's operations could change over time. For example, the number of single family and multiple dwelling unit residences served by the City could change due to several factors. The number of households eligible for solid waste collection and disposal service could increase due to the construction of new single family residences or multiple unit dwellings. Likewise, the number of households eligible for solid waste collection and disposal service could be reduced to the extent that single family residences are replaced with multiple unit dwellings which do not utilize City solid waste collection, or by the conversion of dwelling units to commercial or industrial uses. See "SOLID WASTE RESOURCES FEE - Billing and Collection."

DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION SOLID WASTE OPERATIONS

Introduction

The City collects household refuse, yard trimmings and recyclables throughout the City from virtually all single family dwellings and from smaller multiple unit dwelling residences (typically from buildings of four or fewer units) where containers are placed at the curb. Larger apartments and commercial buildings utilize private collection. The City collections serve approximately 745,000 accounts. There are six solid waste collection districts City-wide with major yards located in the East Valley, West Valley, West Los Angeles, North Central Los Angeles and South Los Angeles and a small yard located in the Harbor area. The Bureau operates a fleet of 694 heavy-duty collection trucks and 86 miscellaneous vehicles within its solid waste collection operations. In order to collect its scheduled routes, the Bureau requires approximately 550 trucks to be available for service each day. Department of Public Works ("Public Works") vehicles, including solid resources collection equipment, are maintained by the City's Department of General Services-Fleet Services Division.

City Residential Solid Waste Collection

Each solid waste collection district of the City is divided by the five days of the week and is divided, in turn, into five sections. The district is supervised by a district superintendent and his or her staff. Additional personnel assist with the collection of dead animals, white goods (composed of metal and composite materials, such as appliances) and bulky items. During fiscal year 2008-09, the City collected an average of 3,300 tons of refuse, 1,500 tons of yard trimmings, and 820 tons of recyclables for every day the City collects solid waste. The average number of collection days per year is 261.

Within the City limits, all City residents (other than in multifamily residences of more than four units) are entitled to household solid waste collection services, which must be provided by the City if solid waste containers are placed for collection. The City is not obligated, nor does it presently intend, to provide solid waste collection services to commercial and industrial customers. Throughout the County, commercial and industrial solid waste collection services are typically performed pursuant to service agreements with private companies. Residential solid waste collection contracts with individual homeowners and homeowner groups and municipal service provided by other cities in the County provide the balance of solid waste collection services Countywide. Private haulers operate under franchise agreements (in the case of the County) and business licenses (in the case of the City) to collect residential, multi-family, industrial and commercial solid waste within the City and unincorporated areas of the County.

On August 3, 2007, the Los Angeles City Council, with concurrence of the Mayor, voted to expand the Department of Public Works, Bureau of Sanitation, Bulky Item Collection Program to include 541,000 residents and owners of apartment complexes comprised of five or more units. The Multi Family

Bulky Item (MFBI) Program commenced operations on October 1, 2007. A monthly Bulky Item Fee of \$1.28 per residential unit, split equally between the owner and tenants, funds this service. The fee is included on the DWP municipal services bill. New vehicles for the MFBI Program will be funded by the proceeds of the Bonds with debt service paid by revenue from the Bulky Item Fee.

Multi-family residents, in need of bulky item collections, are instructed to call the citywide toll free 3-1-1 number to schedule collections. In addition to scheduled requests, collections result from reports of illegal dumping, proactive sweeps, and neighborhood clean-up events. MFBI truck drivers are deployed according to requests for service and reports of abandoned items. Neighborhood sweeps are conducted in areas with frequent reports of abandoned items and upon requests by City Council and Neighborhood Council representatives.

The estimated combined cost for fiscal year 2008-09 for residential solid waste collection and disposal for the City, including recycling efforts, was approximately \$304 million (including, without limitation, costs incurred by the Department of General Services and the SWR Revenue Fund). Estimated annual Solid Waste Resources Fee revenues provided approximately \$246 million in fiscal year 2008-09, or approximately 81% of collection and disposal costs and recycling efforts for such period. General City revenues and certain special funds provide for the balance of City costs of providing solid waste collection and disposal services and recycling efforts over and above the amounts collected as Solid Waste Resources Fee revenues.

Organization and Management

The Board of Public Works manages and controls Public Works, which administers the City's solid waste and solid resources collection and disposal program, and is responsible for the following bureaus: Contract Administration, Engineering, Sanitation, Street Lighting and Street Services and the Office of Accounting of the Board of Public Works. The Board of Public Works is composed of five full-time salaried members appointed by the Mayor, and confirmed by the City Council, for a term of four years. The Board of Public Works advertises and invites proposals for bids, awards contracts for the construction of public buildings and coordinates the issuance of certain activity permits for use of City-owned property.

The Bureau is responsible for the collection and disposal of residential solid waste and other solid resources. The Bureau also has responsibility for the operation and maintenance of all facilities required for the conveyance and treatment of wastewater, including industrial waste enforcement, for maintenance of local storm drains, and for the reduction of pollutants in urban runoff.

The Office of Accounting of the Public Works Department prepares accounting documents, maintains budget data and cost accounts for Public Works, and accounts for special funds affecting Public Works activities, including the Acquisition Fund and the SWR Revenue Fund. The Office of Accounting of the Public Works Department also prepares and maintains a record of Public Works payroll data, maintains records of accounts receivable and payable, prepares statements and issues reports for use by management to control expenditures and operations, and develops and installs cost systems for various public works projects.

Department of Public Works, Bureau of Sanitation Budgeted Expenditures

The budgeted program and related costs for the Solid Waste Management operations of the Bureau are summarized below. These budgeted amounts include general administration and overhead as allocated to the household solid waste collection and disposal activities of the Bureau but exclude the cost of collection and disposal of dead animals. The amounts do not include the costs of certain other City

departments, such as the Department of General Services, or overhead allocated to General Services. See Table 3 herein for information which includes the entire cost of the Solid Waste Program, including GSD's costs and debt service, as well as Bureau of Sanitation's costs.

TABLE NO. 7
TOTAL BUDGETED SOLID WASTE MANAGEMENT COSTS OF BUREAU OF SANITATION
Fiscal Years 2005-06 through 2009-10

	2005-06	2006-07	2007-08	2008-09	2009-10
Household Solid Waste Collection	\$ 63,779,636	\$ 67,207,499	\$ 71,575,255	\$ 78,494,293	\$ 79,886,975
Solid Waste Disposal	56,418,722	61,383,371	67,459,213	73,980,361	75,292,954
Related Costs ⁽¹⁾	90,651,887	81,393,339	85,408,453	67,430,867	68,736,868
Combined Total	\$210,850,245	\$209,984,209	\$224,442,921	\$219,905,521	\$223,916,797

⁽¹⁾ Related costs include retirement, health insurance, workers' compensation, data processing, other personnel and general costs and liability claims.

Source: City Administrative Officer.

The table below shows the amount of City solid waste collections for fiscal years 1997-98 through 2008-09.

TABLE NO. 8
ANNUAL SOLID WASTE COLLECTIONS
Fiscal Years 1997-98 through 2008-09

FISCAL YEAR	YARD TRIMMINGS (Tons)	RECYCLABLES ⁽¹⁾ (Tons)	REFUSE (Tons)	TOTAL (Tons)
1997-98	438,050	129,276	929,638	1,496,964
1998-99	438,805	213,237	875,251	1,527,293
1999-00	434,377	188,041	881,537	1,503,955
2000-01	424,640	182,941	889,865	1,530,449
2001-02	447,285	182,660	913,867	1,543,812
2002-03	471,709	190,043	986,533	1,648,285
2003-04	491,422	181,176	991,021	1,663,619
2004-05	495,387	277,400	1,009,618	1,782,405
2005-06	508,847	272,892	1,031,198	1,812,937
2006-07	479,234	266,633	965,116	1,710,983
2007-08	485,376	254,792	942,799	1,682,967
2008-09	401,524	214,000	868,867	1,484,391

⁽¹⁾ Includes contamination tonnage.

Source: Department of Public Works, Bureau of Sanitation.

Recycling Implementation Plan-AB 939

The City began its recycling program plan in 1989 with the adoption of the "Recycling Implementation Plan." The same year, the State passed AB 939, which formed the California Integrated Waste Management Board ("CIWMB") with the authority to regulate solid waste facilities and to monitor jurisdictions' waste diversion programs. It established a mandate to reduce baseline disposal amounts by 25% by the year 1995 and 50% by the year 2000. See "REGULATION-California Integrated Waste Management Act." The City currently has a diversion rate of 65% as reported to the CIWMB for calendar year 2007, and is in compliance with all requirements regarding program implementation. In addition, the City has adopted further goals and incentives to reach a 75% diversion rate by 2013.

The Bureau's curbside recycling programs collect and recycle over 210,000 tons of blue bin recyclables and over 460,000 tons of green materials annually. These programs represent a significant component of the City's successful diversion efforts. The Bureau also provides recycling collection and

support to all City Departments, and to Los Angeles Unified School District schools within the City. Private sector programs include robust construction and demolition and paper recycling industries, which also contribute a significant amount to the City's waste diversion rate. Further initiatives under consideration include bans of materials that are not easily recycled, incentive based programs for City businesses, and further expansion of City Blue Bin recycling to public gathering areas.

All homes served by the Bureau are participating in the Curbside Recycling Program, and recycling has been extended to large apartment complexes as well. Materials accepted for Blue Bin recycling include glass, plastic containers, plastic bags polystyrene, bi-metal cans, metal hangers, aluminum, empty paint and aerosol cans, and any color or type of uncontaminated paper products.

Automated Collection

The City has been collecting nearly all household solid waste through an automated collection process since August 1995. Automated collection is accomplished by a special-purpose vehicle having a mechanical arm which can reach out, grasp a 60 or 90 gallon wheeled plastic container, lift and empty the container into the body of the truck and then place the container back on the ground. This particular type of vehicle eliminates manual lifting by the operator and enables a single driver to collect from at least twice as many homes as compared to manual collection.

Automated Container Systematic Replacement Program

In order to reduce costly service request calls and increase the level of customer service, the City is replacing solid waste containers that have exceeded their service life. The Automated Container Systematic Replacement Program ("ACSRP") began on July 15, 2002, currently replacing containers at an approximate rate of 110,000 containers per year. The ACSR is a replacement program corresponding to the ten-year service life of the containers. The ACSR will have replaced containers in all areas of the City by August 2010. It is not expected that the ACSR will be continued after that date. The City also replaces about 150,000 lost or broken containers per year through its Ad Hoc container services operations. The Ad Hoc services will continue after the ACSR is complete.

Alternative Clean Fuel Program

In June 2000, the Los Angeles City Council adopted a clean fuel policy as part of its effort to reduce air toxins and pollutant emissions, and recommended support of the South Coast Air Quality Management District (SCAQMD) Proposed Rule 1193 ("Rule 1193"). Rule 1193 requires solid waste collection fleet operators with 15 or more solid waste collection vehicles to acquire alternative-fuel solid waste collection heavy-duty vehicles when procuring or leasing such vehicles. Later that month, the SCAQMD adopted Rule 1193 with amendments as requested by the City Council.

Consistent with the City Council's amendments to Rule 1193 and in furtherance of the City's role as a leader in the clean air arena, the Bureau is committed to the development of a combined liquefied natural gas ("LNG") and compressed natural gas ("CNG") facility at all six solid waste district yards. The three completed fueling stations provide LNG and CNG for the Bureau and other City departments operating in the vicinity of the fueling stations. The first fueling facility was constructed at the new East Valley Solid Resources Management Complex in Sun Valley. The East Valley facility is equipped with four 15,000-gallon LNG storage tanks, six LNG dispensers and three CNG dispensers. The second LNG/CNG fueling facility is now operational at the West Valley Collection Yard. This facility is equipped with three 15,000-gallon LNG storage tanks, six LNG dispensers and two CNG dispensers. A third LNG facility was constructed at the South Los Angeles yard. This facility is equipped with three 15,000-gallon LNG storage tanks and has been operational since summer of 2007. Construction of an

LNG/CNG fueling station at the North Central District yard is underway. Scheduled for completion in 2010, this station will be equipped with four 15,000 gallon LNG storage tanks and dispensing equipment to accommodate LNG/CNG fueling service to approximately 150 solid waste collection vehicles. Furthermore, the Bureau has retrofitted its existing diesel-fuel solid waste trucks to use particulate traps and ultra-low-sulfur diesel fuel. A portion of the proceeds of the Bonds is expected to be used for acquiring alternative-fuel refuse collection vehicles and certain other vehicles.

In order to accommodate the clean fuel vehicles, expansion of the collection district yards is needed, including construction of LNG and CNG fueling facilities, upgrade of the repair and maintenance facilities and additional vehicle parking. Additional properties need to be acquired to accommodate the facility expansions. An estimated 6,500 square feet is required for an LNG/CNG station. The station has to be located at least 25 feet from the property line with a 25-foot "no parking perimeter" around the on-ground storage tanks. Since alternative clean fuel vehicles have smaller payload capacities than standard diesel, additional vehicles need to be purchased. Larger yards are needed to park the additional clean fuel solid waste collection vehicles. Most of the City's solid waste district yards currently do not have adequate space for LNG/CNG stations and/or 20 to 30 additional solid waste collection trucks.

Processing and Disposal

The Bureau currently utilizes the Falcon Disposal Transfer Station in Wilmington and the Central Los Angeles Recycling and Transfer Station ("CLARTS") in Los Angeles for the transfer of solid waste collected from residential units. Both CLARTS and Falcon are completely enclosed and utilize two transfer tipping ports.

The City presently delivers an average of 90 tons of refuse per day to the Falcon Transfer Station. The City pays a tipping fee of \$50.19 per ton to Browning Ferris Industries, Inc. ("BFI") for the transfer of refuse at the Falcon Transfer Station and disposal of the refuse at the Sunshine Canyon Landfill in Granada Hills. The transfer station is permitted to accept residential, commercial/industrial, and demolition wastes.

CLARTS is located immediately Southeast of downtown Los Angeles. The facility, which has a permitted capacity of 4,025 tons per day, is completely enclosed and utilizes a forty thousand square foot tipping floor with two transfer tipping ports. The Bureau uses CLARTS for transferring material collected within the North Central and South Solid Waste Collection districts to Sunshine Canyon Landfill. Since July 1, 2005, an average of 1,800 tons of City-Collected refuse per day is transferred and disposed of at the Sunshine Canyon Landfill. In addition, approximately 500 tons per day of privately hauled refuse is brought to CLARTS for transfer and disposal at landfills other than Sunshine Canyon Landfill. The City operates the CLARTS facility with its own personnel.

Green Recycling Facilities

The Bureau operates two facilities at which curbside collected yard trimmings are processed into mulch and compost for land application. At the Harbor Green Recycling Facility in San Pedro, an average of 100 tons per day of yard trimmings are mulched. This material is then supplied to several farmers and local colleges.

The Lopez Canyon Environmental Center (formerly known as the Lake View Terrace Green Recycling Facility) began operation in December 2003 on a closed portion of the Lopez Canyon Landfill. The facility presently processes about 300 tons per day of curbside collected yard trimmings and 85 tons per week of horse manure from the East Valley Collection District into mulch and compost, which is distributed to residents at no cost at several sites located throughout the City. The final products are also

distributed to agricultural end-users in Los Angeles and Ventura Counties, to local colleges and universities, and to the California Department of Transportation for spreading along freeway right-of-ways.

Landfill Closure Construction Activities

The Bureau is responsible for the maintenance and closure construction of City-owned sanitary landfills, as well as the construction of roads, support facilities and methane gas recovery systems, among other functions.

The City's sanitary landfills, Lopez Canyon and Sheldon Arleta, are in various stages of closure. Closure of the Gaffey Street, Bishops Canyon and Toyon Canyon landfills is complete and two of these sites (Gaffey and Bishop) have been developed into active recreational facilities.

Solid Waste Disposal Alternatives

Since refuse disposal operations ceased at the City-owned Lopez Canyon Landfill in 1996, City-collected refuse has been disposed primarily at the Sunshine Canyon Landfill.

In 2000, the City approved a new disposal contract with BFI for disposing of the majority of City-collected refuse at the Sunshine Canyon Landfill. This contract, which began in July 2001, allowed the City to deliver material at an increasing cost per ton for the first five years, with increases based on the CPI beginning in the sixth year. The City has the sole option to renew each five years, and the contract terminates in 2021.

Approximately 100 tons per day of the refuse collected in the Harbor District is delivered to the Southeast Resource Recovery Facility waste-to-energy facility in Long Beach. The remainder is delivered to the Falcon Disposal Transfer Station and then transported to Sunshine Canyon Landfill.

Beginning in 2007, at the direction of the City Council, the City began reducing its reliance on the Sunshine Canyon Landfill, partially located within the City limits, as the primary disposal alternative. Currently, approximately 3,100 tons per day of refuse are being disposed at Sunshine Canyon Landfill and approximately 600 tons per day at El Sobrante Landfill (a solid waste facility located in Riverside County, California). In future years the volume of refuse disposed at Sunshine Canyon Landfill is expected to further decline with increased recycling efforts and the availability of alternative disposal options.

In addition to considering its options with regard to disposing of solid waste at facilities located outside the City limits, the City has engaged in a study to identify and evaluate alternative technologies for processing the City's municipal solid waste (MSW) that is source separated prior to collection. The main objective of the alternative technologies study is to identify alternative MSW processing technologies that will increase the diversion of waste from landfills in an environmentally sound manner, while emphasizing options that are energy efficient, socially acceptable, and economical. To achieve this, the City has set three sub-goals, namely, maximizing environmental feasibility, maximizing technical feasibility, and maximizing economic feasibility. The key findings from the first phase of the study, completed in September 2005, include: (1) an alternative MSW processing facility can be successfully developed in the City of Los Angeles and (2) thermal technologies are best suited for commercially viable processing of MSW that is source separated prior to collection. These technologies include advanced thermal recycling and thermal conversion (gasification). Currently, the City is evaluating responses to a Request for Proposals for various technologies capable of processing MSW, which include thermal (advanced thermal recycling, gasification), and/or biological (anaerobic digestion, composting, biomass)

and has short-listed four proposers. The next phase of the alternative technology project, once a development partner has been recommended to the Mayor and Council, will include environmental permitting, design, construction and operation of the facility.

Solid Waste Integrated Resources Plan

To further develop its solid waste program, the City expects to complete development by 2013 of its Solid Waste Integrated Resources Plan (SWIRP). The SWIRP includes solicitation of input from stakeholders representing a broad cross-section of the City from diverse cultural backgrounds and income levels, businesses, environmental groups, solid waste haulers, recycling processors, environmental justice groups, unions, etc. The goal of this endeavor is to develop and implement a 20-year master plan for the City's solid waste and recycling programs and infrastructure that will include a Facilities Plan, Environmental Impact Report, Financial Plan and Implementation Plan.

SWIRP will outline the City's objectives to provide sustainability, resource conservation, source reduction, recycling, renewable energy, maximum material recovery, public health and environmental protection for solid waste management planning through 2030.

The goals of SWIRP are to adopt a zero waste philosophy, eliminate the City's use of urban landfills, develop alternative technologies for long-term waste disposal, increase recycling and resource recovery through education, incentives and policing, and provide for local management of the City's waste by increasing green jobs and reducing greenhouse gases.

Future Capital Projects and Borrowing Plans

The Bureau has proposed several future capital projects, and equipment purchases, which may require further increases to the Solid Waste Resources Fee and future borrowing to finance these projects and equipment as shown in Table No. 9. Facilities costs are adjusted to reflect an inflation rate of 5.0% per annum. The capital projects and the rate increases are subject to future Mayor and Council review and approval. Any further rate increases may also be subject to the provisions of Proposition 218. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Proposition 218."

TABLE NO. 9

DEPARTMENT OF PUBLIC WORKS, BUREAU OF SANITATION
PROPOSED CAPITAL IMPROVEMENT PROGRAM AND EQUIPMENT
Fiscal Years 2009-10 through 2013-14
(Dollar Amounts in Thousands)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
CAPITAL FACILITIES					
CLARTS – Miscellaneous Upgrades	\$ 326	\$ 309	\$ 772	\$ 309	\$ -
CLARTS – Rear Parking Asphalt Pavement	-	268	132	-	-
CLARTS – Tipping Floor & Loading Ports Repair	1,500	-	-	-	-
Harbor Consolidated Yard & Sports Complex	-	1,000	2,000	5,000	5,000
Lopez Canyon Existing Park Improvement	-	84	757	-	-
Lopez Canyon Miscellaneous Upgrades	660	250	-	-	-
Lopez Canyon Proposed Park Development	-	146	395	922	-
South Los Angeles Yard Improvement	141	980	865	35	-
West Los Angeles Temporary LNG Facility	1,200	-	-	-	-
West Los Angeles Yard Master Plan	800	-	1,000	2,000	10,000
West Valley Collection Yard Upgrade	800	1,678	4,560	16,622	24,363
Subtotal Capital Facilities	\$5,427	\$4,715	\$10,481	\$24,888	\$39,363
EQUIPMENT					
Automated Recycling Containers	\$ 17,000	\$ 18,000	\$ 19,000	\$ 20,000	\$ 21,000
Automated Collection Trucks Replacement	25,600	27,300	20,300	25,700	20,600
Additional Collection Vehicles	-	-	1,400	840	3,300
Landfill and Mulching Equipment	4,500	8,000	3,800	5,000	5,000
Other Equipment	80	-	-	-	-
Subtotal Equipment	\$ 47,180	\$ 53,300	\$ 44,500	\$ 51,540	\$ 49,900
TOTAL CAPITAL FACILITIES AND EQUIPMENT	\$ 52,607	\$ 58,015	\$ 54,981	\$ 76,428	\$ 89,263

The Bureau's Capital Improvement Expenditure Program (CIEP) comprises three general areas of need in the foreseeable future: landfill, transfer station, and collection yard improvements.

Transfer Station. There are very few local landfills available to the City for direct haul by the City's fleet of refuse collection vehicles. The majority of the City's waste goes to the Sunshine Canyon Landfill at the north end of the San Fernando Valley. City refuse trucks deliver waste from the northern area of the City comprising the San Fernando Valley directly to the Sunshine Canyon landfill. Refuse from the remainder of the City is transferred into transfer trailers from the Central Los Angeles Recycling and Transfer Station (CLARTS) for disposal at the landfill.

Ongoing facility upgrades need to be made at CLARTS to maintain the necessary level of transloading services. These improvements include replacing the tipping floor, paving the rear parking area with concrete, installing energy efficient lighting fixtures, replacing wall and roof panels, painting the building interior and exterior, upgrading security camera system, building exterior restroom, installing overhead doors, installing a scale house with added security features, and upgrading the hazardous waste storage area.

Landfills. City-owned sanitary landfills (Lopez Canyon and Sheldon Arleta) are in different stages of closure. Closure activities include landfill gas monitoring, road construction, maintenance of support facilities, and development into active recreational facilities.

Various areas within the Lopez Canyon landfill are scheduled for renovation including the office trailer complex and parking lot. There is a also need to install a security surveillance system, guard house, and barrier gates to provide security to employees and capital assets. The existing park adjacent to the entry area of the Lopez Canyon landfill is scheduled to be developed in 2010. The proposed development includes a picnic area, new landscaping, new paths, and new play equipment. The landfill buffer property in the White Horse neighborhood adjacent to Lopez Canyon is also proposed for conversion into a natural adventure play area with an outdoor classroom, terraced seating walls, restrooms, picnic area, and an equestrian hitching post.

Collection Yards. Most of the City's refuse collection yards are inadequate for present day needs. The City's fleet of collection vehicles has increased as a result of the three commodities being collected: refuse, yard trimmings and recyclables. In addition, the City is committed to clean-air vehicles necessitating alternative fuels, such as LNG fuels, which require vehicles, refueling facilities and specialized maintenance. The East Valley, West Valley, and South Los Angeles District Yards have been expanded to accommodate LNG refueling.

The Harbor District Yard is being proposed for master planning to study the potential need for redevelopment. The master plan study will include the preparation of an Environmental Impact Report (EIR), project programming, real estate acquisition assessment, evaluation of civil engineering considerations of the site, preparation of entitlements, requirements and conditions, and preparation of a more precise project cost estimate. Based on the results of the study, the existing collection yard may be renovated to include facilities for the Bureau of Sanitation, Bureau of Street Services, and General Services Department, and consolidated with a new sports complex.

At the South Los Angeles District Yard, the Administration/Locker Room Building is planned to be upgraded to comply with American Disabilities Act (ADA) requirements and to meet current operational needs. In addition a canopy that covers the diesel/unleaded gasoline fuel island is expected to be constructed that will provide a dry, well-lit environment for vehicle fueling.

The West Los Angeles District Yard is also proposed for master planning to study the potential relocation of the existing collection yard to provide the necessary level of service and accommodate a clean-fuel fueling facility. The master plan will include new site acquisition, sale of the existing site, preparation of an Environmental Impact Report (EIR), project programming, preparation of entitlements, and preparation of a more precise project cost estimate. A temporary Liquefied Natural Gas (LNG) facility is scheduled to be constructed in 2010 to provide LNG fuel to collection vehicles servicing the communities of the Western district until a permanent LNG facility is constructed.

The West Valley District Yard is scheduled to be master planned to assess the need for facilities upgrade. Based on the results of the study, the collection yard may be redeveloped to include a two-story Administration Building, parking structure, security wall, and security gates.

REGULATION

Potential Restrictions on Solid Waste Disposal

There are serious, often unforeseeable, risks and potentially substantial cost exposures associated with waste processing and disposal facilities. These risk factors include, but are not limited to: (i) an increasing shortage of disposal capacity available to the City, coupled with the difficulty of obtaining permits to expand or establish new sites and facilities, and public and private opposition to the location, expansion and operation of these facilities, (ii) increasing governmental actions at all levels that seek to restrict the operation of disposal facilities as well as the interstate movement of waste for disposal, (iii) landfill costs associated with liner requirements, leachate and methane gas control, greenhouse gas emission control, post-closure monitoring, site cleanup, other remedial work and maintenance, and perpetual care obligations, (iv) alleged possible adverse effects on groundwater and the environment, (v) substantial regulatory compliance expenditures, fines or other sanctions and civil damage liabilities, (vi) demonstrating financial responsibility (see “-Federal and State Laws Governing Solid Waste Disposal” below) and conforming to prescribed or changing standards and methods of operation, (vii) judicial and administrative proceedings regarding alleged possible adverse environmental and health effects of landfills or treatment and disposal facilities, and (viii) legislation that requires waste recycling, minimization and incineration.

Provision for City Landfill Closure and Postclosure Maintenance Costs

In 1987, the State enacted the Solid Waste Disposal Site Hazard Reduction Act (“AB 2448”), which requires landfill operators to submit closure and postclosure maintenance plans to the California Integrated Waste Management Board (“CIWMB”) for approval, including evidence of financial responsibility to provide for landfill closure and 30 years of postclosure maintenance. Evidence of financial responsibility is required in the form of a trust fund or other financial mechanism acceptable to the CIWMB into which sufficient funds are deposited to provide for these costs.

In 1989, Ordinance No. 164896 established the Landfill Closure and Postclosure Maintenance Trust Fund and began funding for closure and postclosure maintenance of City-owned landfills. In 1993, by Ordinance No. 168581, the Landfill Closure and Postclosure Maintenance Trust Fund was amended to provide for a new special fund entitled “Lopez Canyon Landfill Closure Trust Fund.” The Lopez Canyon Landfill Closure Trust Fund was established for the purposes of receiving and expending monies for the closure costs of the Lopez Canyon Landfill. Funds previously appropriated in the Landfill Closure and Postclosure Maintenance Trust Fund for Lopez Canyon Landfill were transferred to the new Trust Fund.

In accordance with AB 2448, the City estimated that \$17.54 million (in 1994 dollars) in construction costs would be required to close the Lopez Canyon Landfill. That amount was made available to the Lopez Canyon Landfill Closure Trust Fund for closure activities in March 1995. Closure of the Lopez Canyon Landfill was previously scheduled for 2007. Closure construction is underway at Lopez Canyon Landfill, but is now projected to be complete in 2012. Reasons for the delay include, (i) temporary redirection of staff resources to construct and begin operation of the Lopez Canyon Environmental Center, (ii) a two-year redirection of construction staff to perform major grading activities at another City-owned closed landfill and (iii) difficulty in acquiring closure materials, especially sufficient volume of high-quality soil.

Ordinance No. 168581 also established the Landfill Maintenance Special Fund for the purpose of receiving all revenues received by the Department of Public Works from the sale of recyclable materials

from curbside recycling. Money in the Maintenance Fund would be used for postclosure maintenance costs of City-owned landfills. Also, a Pledge of Revenue Agreement was signed by the City with the CIWMB pledging that money in the Landfill Maintenance Special Fund will be used for purposes of postclosure maintenance at the Lopez Canyon Landfill. Postclosure maintenance costs are estimated to be about \$1.2 million per year for the 30-year period from 2012 through 2042, or approximately \$36 million.

Federal and State Laws Governing Solid Waste Disposal

Since the passage of the Hazardous and Solid Waste Amendments of 1984 ("HSWA Amendments") to the Resource Conservation and Recovery Act of 1976 ("RCRA"), the emphasis of the Federal waste program has been the reduction of waste volumes and encouragement of recycling and treatment of waste instead of land disposal. The HSWA Amendments prohibit the land disposal of untreated hazardous waste. Restriction on land disposal of certain hazardous waste became effective in 1986, 1987, 1988 and 1989. These restrictions identified treatment levels that the waste must meet before it can be land disposed. Currently, the City's wastes are not considered "hazardous wastes" for purposes of Federal and State regulations.

Since its enactment, RCRA included the authority for the Environmental Protection Agency ("EPA") to control the disposal of solid waste, as well as the management of hazardous waste. In the past, the EPA relied on general solid waste management guidelines and did not develop a comprehensive solid waste regulatory program. The regulatory framework covering solid waste management was developed by individual states and the stringency of these frameworks was highly variable. In August 1988, the EPA proposed comprehensive location, design, operating, groundwater monitoring, corrective action, closure and post-closure, and financial assurance criteria for municipal solid waste landfills. The EPA released final criteria referred to as "Subtitle D" regulations whereby the states were required to develop state regulatory programs at least as stringent as the EPA's criteria. In 1993, the State of California adopted the EPA criteria with minor and stricter revisions. Currently, the regulatory regime for controlling solid waste management is substantially similar to that in place for hazardous waste management facilities.

The HSWA Amendments to RCRA have substantially increased the quantity of hazardous waste brought under regulation, including large quantities of organic waste that were brought under the regulatory system for the first time in 1990. Land disposal regulations require increased use of treatment technologies and the Federal "Subtitle D" landfill regulations have resulted in the closure of a significant number of smaller, older existing landfills, increasing the demand for solid waste capacity at other landfills that comply with the new regulations. The EPA's financial responsibility regulations require owners or operators of hazardous waste facilities to demonstrate financial assurance for sudden and accidental pollution occurrences. For facilities with surface impoundments, landfills and land treatment units, the owner or operator must also demonstrate financial assurance for non-sudden or gradual pollution occurrences.

State regulations also require owners and operators of waste facilities to provide financial assurance of their ability to cover the estimated costs of proper closure and post-closure monitoring and maintenance of these facilities. The City has been able to rely on its financial position, rather than upon other very costly financial assurance mechanisms, to satisfy these requirements. See "REGULATION-Provision for City Landfill Closure and Maintenance Costs."

Pursuant to California Code of Regulations Chapter 23, Section 66273.1 et seq. effective February 9, 2008, the regulatory exemption that allowed households and conditionally exempt small quantity generators (CESQG) to dispose of universal waste in the refuse stream had expired making it

unlawful to dispose of universal waste in the trash. Under California Health and Safety Code Section 25163(e), a solid waste operator who unknowingly transports hazardous waste to a solid waste facility, incidental to the collection of solid waste is not subject to hazardous waste transporter registration requirements. A solid waste transporter that discovers, after the fact, that it has unknowingly transported universal waste in a load of solid waste may have the universal waste removed at the solid waste facility and manage it as part of the facility's load check program in accordance with the State of California, Department of Toxic Substances Control's regulations.

The Bureau is responsible for the implementation of the City's Household Hazardous, Electronic, and Universal Waste programs which serve residents and CESQG with collection points and proper management and recycling or disposal. The City has six permanent SAFE centers that are available year-round to residents and CESQG. In addition, several one-day events are held to collect and manage these materials. Partnerships with many retailers have resulted in convenient drop-off locations for materials such as used motor oil, batteries, cell phones, and other materials that are banned from landfill disposal. All materials collected by the City are managed locally and in an environmentally sound manner.

Regulatory Agencies

Certain regulatory agencies, including CIWMB, the County Department of Health Services (the "CHSD"), the South Coast Air Quality Management District (the "SCAQMD"), the Los Angeles Regional Water Quality Control Board (the "RWQCB"), the City's Environmental Affairs Department, and the Tri-Technical Advisory Committee (the "TRI-TAC") representing the League of California Cities, the California Association of Sanitation Agencies and the California Water Pollution Control Association, are involved in developing plans and monitoring compliance with Federal RCRA requirements associated with solid waste disposal operations. The CHSD, SCAQMD and RWQCB are responsible for issuing permits to apply minimum standards for control of pollution involving the environment that typically arise during the handling of solid wastes.

California Integrated Waste Management Act

Revisions to State law constituting the California Integrated Waste Management Act of 1989 ("AB 939"), which became effective January 1, 1990, among other things, directs all California cities and counties to maximize all feasible source reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed by transformation (through waste-to-energy projects or other processes) and land disposal. As a result of AB 939, solid waste management has been changed to an integrated solid waste management approach in which source reduction and recycling play an integral role in the waste management strategy. A companion piece of legislation titled "California Integrated Waste Management Board (CIWMB) Funding Clarification of AB939 Mandates" ("AB 1820") was enacted in 1990 which became effective January 1, 1991, altered various compliance deadlines and requirements contained in AB 939. In 2008, additional laws were signed by the Governor (SB1016), which leaves untouched the requirement for numerical compliance, but revising the measurement system to only include disposal tonnages, which must be maintained under a specified level. SB1016 also re-emphasized the need for continued program implementation to be in compliance with AB939.

By January 1, 1995, each city in the State was required to achieve a 25% reduction, through waste reduction or recycling, in solid waste disposed of to landfills or by incineration. A 50% reduction was required to be achieved by January 1, 2000. Cities are responsible for these goals whether or not they control wastes generated within their jurisdiction. Cities could face monetary fines of up to \$10,000 per day or up to \$3.65 million per year if the CIWMB deems local plans to be inadequate or if localities fail to satisfactorily implement programs to achieve the 25% and 50% goals.

To demonstrate compliance with the 50% waste diversion mandate by the year 2000, the City conducted a series of studies including audits of over 500 Los Angeles businesses and surveys of waste diversion facilities, non-City government facilities, City departments, landscapers and contractors. The results of the diversion study demonstrates that the City of Los Angeles has achieved a 60% diversion rate for the year 2000 and has complied with AB 939. The City has also conducted a massive waste composition study for future planning purposes.

Under AB 939, each city was required to submit four reports: (1) a waste characterization study, which categorizes the wastestream of the city, (2) a Source Reduction and Recycling Plan ("SRRP"), which details the means by which the city will achieve, finance and document the mandated 25% and 50% goals through source reduction, recycling and composting; anticipated revenues, costs and revenue sources; and the proposed program for education and public information, (3) a Household Hazardous Waste Element ("HHWE"), which outlines the city's efforts to reduce the amount of household hazardous wastes reaching landfills through safe collection and recycling or proper disposal and (4) a Non-Disposal Facility Element ("NDFE"), which describes the nondisposal facilities such as transfer stations and composting facilities which exist in the jurisdiction.

Annual reports are submitted to the CIWMB, which include descriptions and results of program implementation. On a biennial basis, the CIWMB determines the compliance, 'good faith effort', or non-compliance of each jurisdiction in the State. The City has submitted its most recent reports for calendar year 2007, which indicate that all programs are being successfully implemented and a diversion rate of 65% has been achieved.

CONTINUING DISCLOSURE

The City will execute a Continuing Disclosure Certificate, to be dated the date of delivery of the Bonds (the "Continuing Disclosure Certificate"), which provides for certain disclosure obligations on the part of the City. Under the Continuing Disclosure Certificate, the City will covenant for the benefit of Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the City by not later than June 30 of each year, commencing June 30, 2010 for the report for the 2008-09 fiscal year, or if the fiscal year-end changes from June 30, not later than 365 days after the end of the City's fiscal year (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Listed Events"), if material. The Annual Reports and the notices of Listed Events will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") site at <http://emma.msrb.org>. These covenants will be made in order to assist the underwriters of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). The City has not within the last seven years failed in any material respect to comply with any prior such undertaking under Rule 15c2-12.

For a form of the Continuing Disclosure Certificate, see APPENDIX E - "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

TAX MATTERS

General

In the opinion of Sidley Austin LLP, Los Angeles, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming compliance by the City with certain covenants in the Trust Agreement and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), regarding the use, expenditure and investment of proceeds of the Bonds and the timely payment of certain investment earnings to the United States, interest on the Bonds is not includable in the gross income of the owners of the Bonds for federal income tax purposes. Failure to comply with such covenants and requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds.

In the further opinion of Bond Counsel, interest on the Bonds is not treated as an item of tax preference in calculating the federal alternative minimum taxable income of individuals and corporations, and is not included as an adjustment in calculating federal corporate alternative minimum taxable income for purposes of determining a corporation's alternative minimum tax liability.

Ownership of, or the receipt of interest on, tax-exempt obligations may result in collateral tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit. Bond Counsel expresses no opinion with respect to any collateral tax consequences and, accordingly, prospective purchasers of the Bonds should consult their tax advisors as to the applicability of any collateral tax consequences.

Certain requirements and procedures contained or referred to in the Trust Agreement may be changed, and certain actions may be taken or not taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. Bond Counsel expresses no opinion as to the effect of any change to any document pertaining to the Bonds or of any action taken or not taken where such change is made or action is taken or not taken without our approval or in reliance upon the advice of counsel other than Sidley Austin LLP with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes.

Original Issue Premium

Certain of the Bonds may be purchased in the initial offering for an amount in excess of their principal amount (hereinafter, the "Premium Bonds"). The excess of the tax basis of a purchaser of a Premium Bond (other than a purchaser who holds a Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) over the principal amount of such Premium Bond is "bond premium." Bond premium is amortized for federal income tax purposes over the term of a Premium Bond based on the purchaser's yield to maturity in the Premium Bond, except that in the case of a Premium Bond callable prior to its stated maturity, the amortization period and the yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Bond. A purchaser of a Premium Bond is required to decrease his or her adjusted basis in such Premium Bond by the amount of bond premium attributable to each taxable year in which such purchaser holds such Premium Bond. The amount of bond premium attributable to a taxable year is not deductible for federal income tax purposes. Purchasers of Premium Bonds should consult their tax advisors with

respect to the precise determination for federal income tax purposes of the amount of bond premium attributable to each taxable year and the effect of bond premium on the sale or other disposition of a Premium Bond, and with respect to the state and local tax consequences of owning and disposing of a Premium Bond.

Original Issue Discount

The initial public offering price of certain of the Bonds (collectively, the "Discount Bonds") is less than the principal amount of the Discount Bonds. The difference between the principal amount of a Discount Bond and its initial public offering price is original issue discount. Original issue discount on a Discount Bond accrues over the term of such Discount Bond at a constant interest rate. To the extent it has accrued, original issue discount on a Discount Bond is treated as interest excludable from gross income for federal income tax purposes under the conditions and limitations described above. Further, the amount of original issue discount that accrues on a Discount Bond in each year is not an item of tax preference for purposes of calculating federal alternative minimum taxable income of individuals and corporations, and is not included as an adjustment in calculating federal corporate alternative minimum taxable income for purposes of determining a corporation's alternative minimum tax liability. Such accrued original issue discount, however, is taken into account in determining the distribution requirements of certain regulated investment companies. Consequently, owners of Discount Bonds should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although the owner may not have received cash in such year.

The accrual of original issue discount on a Discount Bond will increase the owner's adjusted basis in such Discount Bond. This will affect the amount of taxable gain or loss realized by the owner of the Discount Bond upon the redemption, sale or other disposition of such Discount Bond. The effect of the accrual of original issue discount on the federal income tax consequences of a redemption, sale or other disposition of a Discount Bond that is not purchased at the initial public offering price may be determined according to rules that differ from those described above. Owners of Discount Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the amount of original issue discount that properly accrues with respect to the Discount Bonds, other federal income tax consequences of owning and disposing of the Discount Bonds and any state and local tax consequences of owning and disposing of the Discount Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. While this reporting requirement does not, by itself, affect the excludability of interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Bonds to be subject to backup withholding if such interest is paid to beneficial owners that (a) are not "exempt recipients," and (b) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner are allowed as a refund or credit against such beneficial owner's federal income tax liability so long as the required information is furnished to the IRS.

State Tax Exemption

In the further opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxes imposed by the State of California.

Future Developments

Future legislative proposals, if enacted into law, regulations, rulings or judicial decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to State or local income taxation, or may otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Further, legislation and regulatory actions and proposals may affect the economic value of the federal or state tax exemption or the market value of the Bonds.

Prospective purchasers of the Bonds should consult their tax advisors regarding pending or proposed federal or state tax legislation, regulations, rulings or litigation, as to which Bond Counsel expresses no opinion.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

CERTAIN LEGAL MATTERS

The opinion of Sidley Austin LLP, Los Angeles, California, Bond Counsel, approving the validity of the Bonds, will be furnished to the purchaser at the time of delivery of the Bonds at the expense of the City. See APPENDIX D - "PROPOSED FORM OF BOND COUNSEL OPINION." Certain legal matters will be passed on for the City by the City Attorney of the City of Los Angeles, California. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed on for the City by The Law Offices of Elizabeth C. Green, Disclosure Counsel, and by Carmen Trutanich, City Attorney. Certain legal matters will be passed on for the Underwriters by Fulbright & Jaworski, Los Angeles, California. Bond Counsel and Disclosure Counsel will receive compensation contingent upon the sale and delivery of the Bonds.

LITIGATION

There is no controversy of any nature now pending against the City or, to the knowledge of its officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Bonds or the use of the Bond proceeds.

There are no pending lawsuits which in the opinion of the City Attorney challenge the validity of the Bonds, the corporate existence of the City, or the title of the officers to their respective offices.

Attached hereto as part of APPENDIX A is a list prepared by the Office of the City Attorney of pending matters or cases relating to the City each of which involves in excess of \$5,000,000 of potential liability. This information is presented for general information purposes only.

FINANCIAL STATEMENTS

Excerpts from the City's Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2008 (including the Independent Auditor's Report Regarding Financial Statements), included in APPENDIX B hereto, have been audited by Simpson & Simpson, independent auditors (other than the

financial statements for the City's Departments of Airports, Harbor, and Water and Power, Fire and Police Pension System, and Los Angeles City Employees' Retirement System, which were audited by other auditors). See "INDEPENDENT AUDITOR'S REPORT" in APPENDIX B hereto. Neither Simpson & Simpson nor any other auditor was requested to consent to the inclusion of its report in APPENDIX B and no auditor has undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in the Official Statement, and no opinion is expressed by Simpson & Simpson or any other auditor with respect to any event subsequent to the date of its report.

RATINGS

Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services ("Standard & Poor's") have assigned the ratings to the Bonds of "AA-", "Aa3" and "AA," respectively. Such ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from the respective agencies at the following addresses: Fitch Ratings, One State Street Plaza, New York, New York 10004, Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

Fieldman, Rolapp & Associates has acted as Financial Advisor to the City in conjunction with the issuance of the Bonds. The Financial Advisor has assisted the City in matters related to the planning, structuring, execution and delivery of the Bonds. The Financial Advisor has not audited, authenticated or otherwise independently verified the information set forth in the Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information. Because of this limited participation, the Financial Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement. The Financial Advisor will receive compensation contingent upon the sale and delivery of the Bonds.

UNDERWRITING

Pursuant to the terms and conditions of the Bond Purchase Agreement for the Bonds (the "Bond Purchase Agreement") among the City, Stone & Youngberg LLC and Cabrera Capital Markets, LLC (the "Underwriters"), the Underwriters have agreed to purchase the Bonds from the City at an aggregate purchase price of \$_____ (consisting of the par amount, plus \$_____ of original issue premium/less \$_____ of original issue discount, and less underwriters' discount of \$_____).

The Bond Purchase Agreement provides, among other things, that the obligations of the Underwriters are subject to certain terms, conditions and precedents, and that the Underwriters will be obligated to purchase all of the Bonds offered under the Bond Purchase Agreement, if any of the Bonds offered thereunder are purchased.

The Underwriters reserve the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriters may offer and sell the Bonds to certain dealers (including dealers

depositing Bonds into investment trusts) at prices lower than the public offering prices, and such dealers may realow any such discounts on sales to other dealers. After the initial public offering, the public offering prices of the Bonds may be changed from time to time by the Underwriters.

AVAILABILITY OF DOCUMENTS

Copies of the Official Statement and the Trust Agreement will be available, upon written request, from the Office of the City Administrative Officer, 200 North Main Street, City Hall East, Room 1500, Los Angeles, California 90012, Attention: Mr. Mario Vasquez.

MISCELLANEOUS

References are made herein to certain documents and reports that are brief summaries thereof that do not purport to be complete or definitive, and reference is made to such documents and reports for a full and complete statement of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement has been duly authorized by the City.

CITY OF LOS ANGELES, CALIFORNIA

By: _____
Assistant City Administrative Officer

APPENDIX A

CITY OF LOS ANGELES INFORMATION STATEMENT

APPENDIX B

**EXCERPTS FROM THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR
THE YEAR ENDED JUNE 30, 2008 AND INDEPENDENT AUDITOR'S REPORT**

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT

APPENDIX D
PROPOSED FORM OF BOND COUNSEL OPINION

APPENDIX E
FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F

DTC AND THE BOOK ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The City cannot and does not give any assurances that DTC will distribute to Participants or that Participants or others will distribute to the Beneficial Owners payments of principal of and interest and premium, if any, on the Bonds paid or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The City is not responsible or liable for the failure of DTC or any Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the Bonds or any error or delay relating thereto.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners.

Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City, as the issuer of the bonds, as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Neither the City nor the Trustee will have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC, any Participant, or any Indirect Participant; (ii) the payment by DTC or any Participant or Indirect Participant of any amount with respect to the principal of or premium, if any, or interest on the Bonds; (iii) any notice which is permitted or required to be given to Owners under the Trust Agreement; (iv) the selection by DTC, any Participant or any Indirect Participant of any person to receive payment in the event of a partial redemption of the Bonds; (v) any consent given or other action taken by DTC as Bondholder; or (vi) any other procedures or obligations of DTC, Participants or Indirect Participants under the book-entry system.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the City determines to remove DTC from its functions as a depository, DTC's role as securities depository for the Bonds and use of the book-entry system will be discontinued. If the City does not select a securities depository to replace DTC, the Trustee will authenticate and the Registrar will deliver to the Owners thereof a new fully authenticated and registered Bond or Bonds of the same maturity for the same aggregate principal amount. Upon such registration, such persons in whose names the Bonds are registered will become the registered Owners of the Bonds for all purposes under the Trust Agreement.

ATTACHMENT F

CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Los Angeles, California (the "City") in connection with the issuance by the City of \$[] aggregate principal amount of Solid Waste Resources Revenue Bonds, Series 2009-A (the "Bonds"). The Bonds are being issued pursuant to a Master Trust Agreement dated as of September 1, 2001, as amended and supplemented, and a Seventh Supplemental Trust Agreement dated as of August 1, 2009 (collectively, the "Trust Agreement") between the City and U.S. Bank National Association, acting as successor trustee thereunder (the "Trustee"). The City covenants and agrees as follows.

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12.

Section 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Beneficial Owner*" shall mean any person which (a) has or shares the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"*Dissemination Agent*" shall mean each of the City Administrative Officer of the City or any other person authorized to act on his behalf, acting in the capacity of Dissemination Agent, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"*Holder*" shall mean the person in whose name any Bond shall be registered.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate as Listed Events.

"*MSRB*" means the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

"*Official Statement*" shall mean the Official Statement dated [], 2009, issued by the City in connection with the sale of the Bonds.

"*Participating Underwriter*" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

Section 3. Provision of Annual Reports.

(a) The City shall cause the Dissemination Agent to, not later than June 30 of each year, commencing June 30, 2010, for the report for the 2008-09 fiscal year, or if the fiscal year end changes from June 30, not later than 365 days after the end of the City’s fiscal year, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is other than the City or the City Administrative Officer, not later than fifteen (15) days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the City’s audited financial statements may be submitted separately from the balance of the Annual Report if they are not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall send a notice to the MSRB in substantially the form attached as Exhibit A hereto.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the then-current procedures for submitting Annual Reports to the MSRB; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided.

Section 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:

(1) The audited financial statements of the City for the prior fiscal year, prepared in accordance with generally accepted accounting principles applicable to governmental entities from time to time. If the City’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(2) [An update to the tables set forth in the Official Statement under the caption “SOLID WASTE RESOURCES FEE” entitled “Table No. 2—Solid Waste Resources Fee Rate History,” “Table No. 3—Department of Water and Power Billings and Collections Solid Waste Resources Fee,” “Table No. 4—Historical Debt Service Coverage” and “Table No. 5—Pro-Forma Statement of Debt Service Coverages” and an update to the following Sections set forth in APPENDIX A to the Official Statement: “BUDGET AND REVENUES,” “MAJOR GENERAL FUND REVENUE SOURCES,” “FINANCIAL OPERATIONS,” “BONDED AND OTHER INDEBTEDNESS” and “LITIGATION.” The City need not update any particular table or chart included in such sections so long as (i) the City provides updated

information generally of the type previously included in such table or chart, or (ii) such table or chart constitutes information not deemed to be operating data under the Rule.]

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, available to the public on the MSRB's Internet website or filed with the Securities and Exchange Commission. The City shall clearly identify each such other documents so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) To the extent applicable and pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material (each of which is a "Listed Event"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) modifications to rights to Bondholders;
- (4) optional, contingent or unscheduled bond calls;
- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (8) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (9) unscheduled draws on credit enhancements reflecting financial difficulties;
- (10) substitution of credit or liquidity providers, or their failure to perform; and
- (11) release, substitution or sale of property securing repayment of the Bonds.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the City has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the City shall promptly file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in clauses (4) and (5) of subsection (a) need not be given any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Trust Agreement.

Section 6. Termination of Reporting Obligation. The City's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent other than the original Dissemination Agent to assist it in carrying out its

obligations under the Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (other than the City or the City Administrative Officer) shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Disclosure Certificate.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the City may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions relating to the filing of an Annual Report or the giving of notice of a Listed Event as set forth in Sections 3(a), 4 or 5(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c) hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in the Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Holder or Beneficial Owner of the Bonds or any Participating Underwriter may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in the Superior Court of the State in and for the County of Los Angeles or in U.S.

District Court in or nearest to the County of Los Angeles. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, the Trustee and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Participating Underwriters and the Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: August [], 2009

CITY OF LOS ANGELES

By: _____
Assistant City Administrative Officer

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE
ANNUAL REPORT**

Name of City: City of Los Angeles, California (the "City")

Name of Bond Issue: Solid Waste Resources Revenue Bonds, Series 2009-A

Date of Issuance: August [], 2009

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated August [], 2009. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY OF LOS ANGELES, CALIFORNIA

By: _____
Title: _____