

# CITY OF LOS ANGELES

CALIFORNIA



**JUNE LAGMAY**  
City Clerk

**HOLLY L. WOLCOTT**  
Executive Officer

Office of the  
**CITY CLERK**

**Council and Public Services**  
Room 395, City Hall  
Los Angeles, CA 90012  
General Information - (213) 978-1133  
Fax: (213) 978-1040

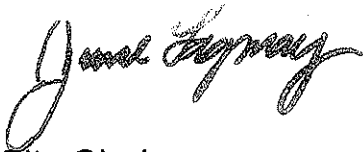
[www.cityclerk.lacity.org](http://www.cityclerk.lacity.org)

**ANTONIO R. VILLARAIGOSA**  
MAYOR

July 8, 2010

To All Interested Parties:

The City Council adopted the action(s), as attached, under  
Council file No. 08-0951, at its meeting held June 25, 2010.



City Clerk  
kw

Mayor's Time Stamp  
OFFICE OF THE MAYOR  
RECEIVED  
2010 JUN 25 PM 4:17  
CITY OF LOS ANGELES

City Clerk's Time Stamp  
RECEIVED  
CITY CLERK'S OFFICE  
2010 JUN 25 PM 4:13  
CITY CLERK  
BY \_\_\_\_\_  
DEPUTY

**FORTHWITH**

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 08-0951

COUNCIL DISTRICT \_\_\_\_\_

COUNCIL APPROVAL DATE JUNE 25, 2010

RE: SUBSTITUTION/EXTENSION OF WASTEWATER SYSTEM DEBT PROGRAM CREDIT FACILITIES

LAST DAY FOR MAYOR TO ACT JUL 06 2010  
(10 Day Charter requirement as per Charter Section 341)

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**DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY**

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APPROVED

\_\_\_\_\_

\*DISAPPROVED

\_\_\_\_\_  
\*Transmit objections in writing  
pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL

JUN 28 2010

  
MAYOR

BY \_\_\_\_\_  
DEPUTY

CITY CLERK

2010 JUN 28 AM 11:52

RECEIVED  
CITY CLERK'S OFFICE

**VERBAL MOTION**

I HEREBY MOVE that Council APPROVE the recommendations of the City Administrative Officer (Item #19, Council file 08-0951) relative to the substitution/extension of Wastewater System Debt Program credit facilities, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the accompanying Eleventh Supplemental RESOLUTION (Attachment A of the CAO report dated June 9, 2010) authorizes the execution of replacement credit facilities for the Wastewater Commercial Paper (CP) Program, incorporates various documents required to execute the replacement (Exhibits A to E), and authorizes the CAO to take certain actions required to manage the transaction and the CP Program.
2. ADOPT the accompanying RESOLUTION (Attachment B of the CAO report dated June 9, 2010) which authorizes the execution of a new credit facility with J.P. Morgan Chase Bank, N.A. (JP Morgan), and extension of an existing credit facility with Bank of America, N.A. (BANA) for Wastewater System Subordinate Revenue Bonds, Variable Rate Refunding Series 2008 A through H, and incorporates various documents required to execute the replacements (Exhibits A to E).
3. FIND that the Reimbursement Agreements requiring that any dispute thereunder be resolved by a judicially-appointed referee pursuant to Section 638 et seq. of the California Code of Civil Procedure, rather than by a jury trial, is reasonable and in the best interest of the City.
4. AUTHORIZE the CAO to make technical adjustments as necessary to implement the intent of the Mayor and Council actions.

PRESENTED BY \_\_\_\_\_  
BERNARD C. PARKS  
Councilmember, 8<sup>th</sup> District

PRESENTED BY \_\_\_\_\_  
TONY CARDENAS  
Councilmember, 6<sup>th</sup> District

June 25, 2010

CF 08-0951

**ADOPTED**  
\* AS AMENDED  
JUN 25 2010

**LOS ANGELES CITY COUNCIL**

**BY THE MAYOR FORTHWITH**

19 A

~~BUDGET & FINANCE~~

MOTION

Last week, the Council was asked to give the City Administrative Officer (CAO) authority to issue up to \$1.2 billion in short-term Tax and Revenue Anticipation Notes (2010 TRAN), and to approve the selection of four firms as underwriters for the deal.

During the ensuing discussion, it became clear that the Council wants to award City business to firms that have a history of dealing with the City and its taxpayers fairly. Firms that are involved in litigation with the City alleging serious financial misconduct should not be routinely awarded new business with the City.

On March 5, 2010, I presented and the Council unanimously approved a Responsible Banking motion, CF 09-0234. Included in the Responsible Banking motion is a clause that "No contracts for financial or banking services shall be awarded to any bank or financial institution that has exhibited a pattern of discriminatory or other illegal credit practices, or has committed past criminal or civil violations that have resulted in significant harm to the City of Los Angeles' financial interests."

In light of the Council's TRAN 2010 discussion last week, which made clear the Council's continued interest in placing taxpayer dollars in institutions that treat the City both fairly and legally, and in light of the Wastewater System Debt Program discussion today (CF 08-0951), the Council needs advance notice of pending credit transactions in order to make careful, informed decisions regarding the City's selection of financial institutions.

I THEREFORE MOVE that the City Administrative Officer (CAO) and the City Treasurer prepare and present a report to Council with an outline of all pending financial transactions between the City and commercial financial institutions that will take place in the next 6 months, and to report on the matter within 15 days. This report should also include information on what steps the CAO and Treasurer are taking to assist the Council in re-evaluating the current list of financial institutions approved to do business with the City.

ORIGINAL

PRESENTED BY *Richard Alarcón*  
RICHARD ALARCÓN  
Councilmember, 7<sup>th</sup> District

*MAJ*  
JUN 25 2010

**ADOPTED**

JUN 25 2010

LOS ANGELES CITY COUNCIL  
TO THE MAYOR FORTHWITH

SECONDED BY *Bruce Kelly*

## ATTACHMENT A

### Eleventh Supplemental Resolution

THE COUNCIL OF THE CITY OF LOS ANGELES

ELEVENTH SUPPLEMENTAL RESOLUTION  
Adopted by the Council of the City

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SUPPLEMENTING AND AMENDING

THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS  
GENERAL RESOLUTION  
and certain  
SUPPLEMENTAL RESOLUTIONS thereto  
Previously Adopted by the Council of the City

\$400,000,000  
Maximum Aggregate Authorized Amount  
City of Los Angeles  
Wastewater System  
Commercial Paper Revenue Notes

**ELEVENTH SUPPLEMENTAL RESOLUTION**

**RELATED TO THE**

**\$400,000,000**

**Maximum Aggregate Authorized Amount**

**City of Los Angeles**

**Wastewater System**

**Commercial Paper Revenue Notes**

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

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

**WHEREAS**, on March 26, 1991, the Council also adopted a resolution designated as the "FIRST SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION" (the "First Supplemental Resolution") to, among other actions, authorize the issuance of such Subordinate Bonds in the form of commercial paper notes which were designated therein as the "Commercial Paper Notes" (the "Commercial Paper Notes") in the maximum aggregate principal amount outstanding from time to time of \$130,000,000 (the "Commercial Paper Program"); and

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

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

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

**WHEREAS**, on October 26, 2001, the Council adopted a resolution entitled “FIFTH SUPPLEMENTAL RESOLUTION” (the “Fifth Supplemental Resolution”) to provide for the issuance by the City of its Wastewater System Subordinate Revenue Bonds Variable Rate Refunding, Series 2001-A, Series 2001-B, Series 2001-C and Series 2001-D, in the original aggregate principal amount of \$308,600,000 pursuant to the Subordinate General Resolution and the Fifth Supplemental Resolution; and

**WHEREAS**, on January 21, 2003, the Council adopted a resolution entitled “SIXTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING AND AMENDING THE WASTEWATER SUBORDINATE REVENUE BONDS GENERAL RESOLUTION AND CERTAIN SUPPLEMENTAL RESOLUTIONS THERETO” (the “Sixth Supplemental Resolution” and together with the First Supplemental Resolution, the Second Supplemental Resolution, the Third Supplemental Resolution and the Fourth Supplemental Resolution, the “Previous CP Supplemental Resolutions”) to substitute a new line of credit agreement (the “Existing Line of Credit Agreement”) with the Toronto-Dominion Bank, acting through its Houston Agency, and WestLB AG, acting through its New York Branch (collectively, the “Existing Banks”), and Toronto-Dominion Bank, acting through its Houston Agency, as agent for the Banks; and

**WHEREAS**, the Existing Line of Credit Agreement permits the City at any time and at its sole option to replace the Existing Line of Credit Agreement and the commitment thereunder by giving at least 15 days prior written notice to the Existing Banks, and the City now desires to replace the Existing Line of Credit Agreement and enter into a new line of credit agreement (the “Credit Agreement”) with State Street Bank and Trust Company, a trust company organized as a state-chartered trust company under the laws of the Commonwealth of Massachusetts, Wells Fargo Bank, National Association, a national banking association, and California State Teachers’ Retirement System, a unit of the State of California organized under the laws of the State of California (collectively, the “Banks”) and State Street Bank and Trust Company, as agent for the Banks (the “Agent”); and

**WHEREAS**, Morgan Stanley & Co., Incorporated and Barclays Capital Inc. (the “Dealers”) currently serve as dealers for the Commercial Paper Notes; and

**WHEREAS**, in connection with the Credit Agreement and the issuance of the Commercial Paper Notes the City desires to reappoint the Dealers, as dealers with respect to the Commercial Paper Notes and to reappoint U.S. Bank National Association, as issuing and paying agent with respect to the Commercial Paper Notes and to give to any Authorized City



Representative the discretion and approval to appoint successor or replacement dealers from the City's approved underwriting pool if it is determined to be in the best interest of the City; and

**WHEREAS**, Section 11.02 of the Subordinate General Resolution permits the City by supplemental resolution to amend and supplement the Subordinate General Resolution and any Supplemental Resolution thereto provided that certain conditions set forth in Section 11.02 of the Subordinate General Resolution have been met, and the City has been advised by bond counsel that the proposed terms of this Eleventh Supplemental Resolution do not adversely affect the interests of the Bondholders and all such conditions have been met;

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

**ARTICLE I**  
**SUPPLEMENT AND AMENDMENT TO DEFINITIONS CONTAINED**  
**IN THE PREVIOUS SUPPLEMENTAL RESOLUTIONS**

The Previous CP Supplemental Resolutions are hereby amended to supplement and modify the definitions of the terms contained in the Previous CP Supplemental Resolutions. All capitalized terms in this Eleventh Supplemental Resolution that are not otherwise designated or defined below or in the preambles above shall have the meanings ascribed to them in the Subordinate General Resolution and the Previous CP Supplemental Resolutions, the provisions of which are hereby ratified and confirmed or in the Credit Agreement (as defined below), as appropriate..

“Amended and Restated Issuing and Paying Agent Agreement” means that certain amended and restated issuing and paying agent agreement as authorized for execution pursuant to Section 4.03 hereof.

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

“Bank Notes” shall have the meaning ascribed to such term in the Credit Agreement.

“Bank” means each of, and “Banks” means collectively, State Street Bank and Trust Company, Wells Fargo Bank, National Association and California State Teachers’ Retirement System, or their respective successors and assigns, as Banks under the Credit Agreement.

“Credit Agreement” means that certain Line of Credit Agreement, dated as of June 1, 2010, by and among the City and the Banks, as authorized for execution pursuant to Section 3.01 hereof. .

“Dealer” means any of Barclays Capital Inc. and Morgan Stanley & Co., Incorporated or any subsequent successor or assign to any one or more of such entities as permitted under the respective Dealer Agreements, or any other dealer for the Commercial Paper Notes which is appointed by the City and has entered into a Dealer Agreement.

“Dealer Agreement” means, with respect to each Dealer, the Dealer Agreement dated as of June 1, 2010, by and between the City and any such Dealer, and any and all modifications, amendments and supplements thereto, or any other Dealer Agreement entered into by the City and a Dealer with respect to the Commercial Paper Notes.

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

“Related Bank” means the Bank whose line of credit is dedicated to the payment of specific Series of Commercial Paper Notes.

“Series” means any series of Commercial Paper Notes.

## **ARTICLE II AUTHORIZATION AND SECURITY**

The Commercial Paper Notes and City’s obligations to repay Advances (as defined in the Credit Agreement) and to pay any Bank Notes together with interest thereon under the Credit Agreement are Subordinate Bonds issued under the terms of the Subordinate General Resolution and are secured by and entitled to the security and the rights granted by the Subordinate General Resolution. The Commercial Paper Notes will be issued in three Series, each Series in the maximum principal amount as set forth in the Issuing and Paying Agent Agreement.

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

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

specific Commercial Paper Notes and shall be used to pay only such Commercial Paper Notes and shall not be pledged as security for or be available to pay other Commercial Paper Notes or to pay the Banks.

### **ARTICLE III AUTHORIZATION AND OBLIGATIONS UNDER THE CREDIT AGREEMENT**

**Section 3.01. Authorization of Credit Agreement.** The Council hereby determines that the marketability of the Commercial Paper Notes will be enhanced if the City provides assurance to the purchasers of the Commercial Paper Notes that the City has ready access to sufficient funds to pay maturing Commercial Paper Notes by providing liquidity support for the Commercial Paper Notes. The Council hereby determines that the payment, interest rate, currency, security, default, remedy and other terms and conditions of a line of credit agreement and the repayment of Advances and any Bank Notes and interest thereon shall be as set forth in this Eleventh Supplemental Resolution and in the Credit Agreement and the Bank Notes. The Council hereby approves the terms of the Credit Agreement and the Bank Notes, forms of which are on file with the City Clerk, and the Council hereby authorizes any one or more of the Authorized City Representatives to execute and deliver the Credit Agreement and the Bank Notes in substantially such forms, but with such modifications and changes therein as the Authorized City Representatives executing such documents shall approve, and to incur the obligations represented thereby and authorizes the incurrence of the obligations therein. The execution and delivery of Credit Agreement by an Authorized City Representative shall be conclusive proof of the approval of any modifications and changes therein by the Authorized City Representative executing such document and by this Council.

**Section 3.02. Obligations Under the Credit Agreement.** The City's obligations to repay Advances and any Bank Notes and to pay interest thereon as set forth in the Credit Agreement are issued under, secured by and subject to the terms of the Subordinate General Resolution and are secured on a basis subordinate to the Senior Lien Bonds and on a parity with all Outstanding Subordinate Bonds, as provided in the Subordinate General Resolution. The obligations incurred under the Credit Agreement are special obligations of the City payable only from the Revenues, the SCM Fund, the CP Debt Service Fund, the CP Construction Funds and the proceeds of the Commercial Paper Notes and not from the general fund of the City and the City is not obligated to repay Advances or any Bank Notes nor the interest thereon from any other source

**Section 3.03. Requests for Advances.** The Issuing and Paying Agent is hereby authorized and directed on each day any Commercial Paper Note of any Series matures to deliver to the Related Bank no later than 12:00 noon New York City time a Request of Advance (as provided in the Credit Agreement) unless, prior to such time, (i) the City has been notified by the Dealers that Commercial Paper Notes have been sold for the account of the City or purchased for the Dealer's account or (ii) the City has provided funds to the Issuing and Paying Agent for deposit into the CP Debt Service Fund in an amount sufficient to pay such maturing Commercial Paper Notes.

**ARTICLE IV**  
**DEALERS; OFFERING MEMORANDUM; PAYING AGENT AGREEMENT**

**Section 4.01. Dealers.** The City hereby reappoints, as dealers, Morgan Stanley & Co., Incorporated and Barclays Capital Inc., and the City will enter into a Dealer Agreement with each of the Dealers.

The Council hereby authorizes any one or more of the Authorized City Representatives to execute and deliver the Dealer Agreements in substantially the form presented to this session of the Council with such modifications thereto as the Authorized Representative executing such Dealer Agreement shall approve. The execution and delivery of such Dealer Agreements by an Authorized City Representative shall be conclusive proof of the approval of any modifications therein by the Authorized City Representative executing such document and by this Council.

The Council hereby authorizes any one or more of the Authorized City Representatives the discretion and approval to take all action required and otherwise necessary to replace one or more of the Dealers with any dealer from the City's approved underwriting pool if it is determined to be in the best interest of the City.

**Section 4.02. Offering Memorandum.** There has been presented to this session of the Council a form of Offering Memorandum describing the Commercial Paper Notes and providing certain information concerning the City and the SCM Fund. The Council hereby authorizes the distribution of such Offering Memorandum in connection with the offer and sale of the Commercial Paper Notes, with such modifications and changes therein as the Authorized City Representatives shall approve. The execution and delivery of the Offering Memorandum by an Authorized City Representative shall be conclusive proof of the approval of any modifications and changes therein by the Authorized City Representative executing such document.

**Section 4.03. Amended and Restated Issuing and Paying Agent Agreement.** The Council hereby reappoints U.S. Bank National Association as issuing and paying agent for the Commercial Paper Notes and authorizes any one or more of the Authorized City Representatives to enter into an amended and restated issuing and paying agent agreement with the Issuing and Paying Agent to provide for the drawing and payment arrangements contemplated by the Credit Agreement. The Council hereby approves the terms of the Amended and Restated Issuing and Paying Agent Agreement, a form of which has been presented to this session of the Council, and hereby authorizes any one or more of the Authorized City Representatives to execute and deliver the Amended and Restated Issuing and Paying Agent Agreement in the form presented to this Council, but with such modifications and changes therein as the Authorized City Representatives executing such document shall approve. The execution and delivery of the Amended and Restated Issuing and Paying Agent Agreement by an Authorized City Representative shall be conclusive proof of the approval of any modifications and changes therein by the Authorized City Representative executing such document by this Council.

**ARTICLE V**  
**NOTICES AND OTHER ACTIONS REGARDING**  
**SUBSTITUTION OF CREDIT FACILITY**

The Council hereby authorizes the Authorized City Representatives and each of them to take all action required by Section 8.02 of the First Supplemental Resolution and otherwise necessary to substitute the Banks for the Existing Banks and replace the Existing Credit Agreement with the Credit Agreement, and the Council hereby ratifies and confirms any such actions taken by the Authorized City Representatives prior to adoption of this Supplemental Resolution, including but not limited to, causing notice of the substitution and replacement to have been provided to the Dealers, the Issuing and Paying Agent and the Holders of the Commercial Paper Notes.

**ARTICLE VI**  
**FUTURE SUBSTITUTION OF BANKS UNDER EXISTING CREDIT AGREEMENT**

Section 2.6(c) of the Credit Agreement permits the City at any time and at its sole option to replace one of the Banks without terminating the Credit Agreement and the commitment thereunder. The Council hereby delegates to the Authorized City Representatives without further approval of or action by the Council, the authority to obtain a substitute Bank at any time a Authorized City Representative deems necessary and appropriate, in accordance with the provisions of, and subject to the limitations set forth in, Section 2.6(c) of the Credit Agreement, provided that the City shall otherwise comply with the requirements set forth in subsection (a) of Section 8.02 of the First Supplemental Resolution, which subsection (a) was amended pursuant to the Fourth Supplemental Resolution, and subsections (b) (c), (d) and (e) of Section 8.02 of the First Supplemental Resolution. In addition, it is hereby confirmed that any notice required by Section 8.02(c) of the First Supplemental Resolution may be published in advance of approval, if required, by the Council, provided that such notice states that a proposed substitution of a Credit Agreement or a Bank is conditioned on Council approval and/or other conditions precedent. Any Authorized City Representative is further authorized to execute and deliver one or more amendments to the Credit Agreement for the purpose of extending the scheduled expiration date thereof for any duration of time deemed necessary, advisable or prudent thereby and modifying such other terms as may be necessary or appropriate by the executing officer, provided that no such amendment shall require the payment of an annual commitment fee in excess of 1.25% (based on the then current ratings of the Commercial Paper Notes) of the amount permitted to be advanced thereunder without the approval of this Council. In the event the ratings of any of the Banks are downgraded such that it adversely affects the issuance of the Commercial Paper Notes, any Authorized City Representative is authorized to execute and enter into a new credit agreement in substantially the form of the Credit Agreement provided no such credit agreement shall require the payment of an annual commitment fee in excess of 1.25%.

**ARTICLE VII**  
**SUBSTITUTE BANKS**

Section 8.02(c) of the First Supplemental Resolution is hereby amended and restated in its entirety to read as follows:

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

**ARTICLE VIII  
MISCELLANEOUS**

**Section 8.01. Additional Actions.** All actions heretofore taken by any officers, employees, agents or directors of the City, with respect to the negotiation, execution and delivery of the Credit Agreement, or in connection with any amendment thereto, and the making of any filings with the Municipal Securities Rulemaking Board, are hereby approved, confirmed and ratified; and the officers of the City and their authorized representatives, and each of the foregoing acting alone is, hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and to take any and all actions, and to execute and deliver such documents, agreements and certificates, which they, or any of them, may deem necessary or advisable to effectuate the purposes of this Resolution

**Section 8.02. The Provisions of the Previous Supplemental Resolutions.** Unless the context indicates otherwise, the provisions in the Previous CP Supplemental Resolutions shall be incorporated herein by this reference and shall apply to this Eleventh Supplemental Resolution and all of the Commercial Paper Notes authorized pursuant hereto.

**Section 8.03. Effective Date.** This Eleventh Supplemental Resolution shall take effect from and upon its adoption.

I hereby certify that the foregoing Resolution was duly adopted by the Council of the City of Los Angeles this 25th day of June, 2010.

JUNE LAGMAY  
City Clerk

By: Veronica Warner  
Deputy



Approved as to Form  
CARMEN A. TRUTANICH  
City Attorney

By: \_\_\_\_\_  
Assistant City Attorney

## ATTACHMENT B

Resolution

RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES APPROVING THE EXECUTION OF A NEW CREDIT FACILITY AND THE EXTENSION OF AN EXISTING CREDIT FACILITY FOR THE 2008 WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS, VARIABLE RATE REFUNDING AND CERTAIN OTHER MATTERS

WHEREAS, the City of Los Angeles (the "City") is a municipal corporation and is a charter city having availed itself of the home rule provisions of the California Constitution and is organized and operates under the terms of The Charter of The City of Los Angeles (the "Charter") and under such Charter has the power and authority to issue bonds and incur other indebtedness and obligations; and

WHEREAS, the City owns and operates a wastewater system that includes sewers, pipes, buildings, systems, plants, works, equipment, improvements and other facilities and undertakings of the City relating to the collection, transportation, treatment and disposal of sewage and wastewater, industrial wastewater and filtration/inflows incidental thereto (such system with all future additions, extensions and improvements thereto, the "System"); and

WHEREAS, the City has previously issued \$444,600,000 of its wastewater system subordinated revenue bonds and designated the "Wastewater System Subordinate Revenue Bonds Variable Rate Refunding Series 2008-A" (the "Series 2008-A Subordinate Bonds"), "Wastewater System Subordinate Revenue Bonds Variable Rate Refunding Series 2008-B" (the "Series 2008-B Subordinate Bonds"), "Wastewater System Subordinate Revenue Bonds Variable Rate Refunding Series 2008-C" (the "Series 2008-C Subordinate Bonds"), "Wastewater System Subordinate Revenue Bonds Variable Rate Refunding Series 2008-D" (the "Series 2008-D Subordinate Bonds"), "Wastewater System Subordinate Revenue Bonds Variable Rate Refunding Series 2008-E" (the "Series 2008-E Subordinate Bonds"), "Wastewater System Subordinate Revenue Bonds Variable Rate Refunding Series 2008-F-1" (the "Series 2008-F-1 Subordinate Bonds"), "Wastewater System Subordinate Revenue Bonds Variable Rate Refunding Series 2008-F-2" (the "Series 2008-F-2 Subordinate Bonds"), "Wastewater System Subordinate Revenue Bonds Variable Rate Refunding Series 2008-G" (the "Series 2008-G Subordinate Bonds") and "Wastewater System Subordinate Revenue Bonds Variable Rate Refunding Series 2008-H" (the "Series 2008-H Subordinate Bonds" and together with the Series 2008-A Subordinate Bonds, the Series 2008-B Subordinate Bonds, the Series 2008-C Subordinate Bonds, Series 2008-D Subordinate Bonds, Series 2008-E Subordinate Bonds, Series 2008-F-1 Subordinate Bonds, the Series 2008-F-2 Subordinate Bonds and the Series 2008-G Subordinate Bonds, the "Series 2008 Subordinate Bonds"); and

WHEREAS, payment of principal, purchase price and mandatory sinking fund redemption price of and interest on the Series 2008-A Subordinate Bonds, the Series 2008-B Subordinate Bonds, the Series 2008-C Subordinate Bonds, the Series 2008-D Subordinate Bonds and the Series 2008-E Subordinate Bonds is currently supported by irrevocable direct-pay letters of credit (collectively, the "ScotiaBank Credit Facilities") issued by The Bank of Nova Scotia, acting through its New York Agency ("ScotiaBank"), which expires on August 1, 2010.

WHEREAS, payment of principal, purchase price and mandatory sinking fund redemption price of and interest on the Series 2008-F-1 Subordinate Bonds, Series 2008-F-2 Subordinate Bonds, the Series 2008-G Subordinate Bonds and the Series 2008-H Subordinate



Bonds is currently supported by separate irrevocable direct-pay letters of credit (collectively, the "Bank of America Credit Facilities") issued by Bank of America, N.A., which expire on August 1, 2010;

WHEREAS, the City has determined to be in its best interest to replace the ScotiaBank Credit Facilities with irrevocable direct-pay letters of credit issued by JPMorgan Chase Bank, N.A., and to extend the term of the Bank of America Credit Facilities; and

WHEREAS, the City proposes to circulate for approval of Bondholders and Insurers a form of Supplemental Resolution attached hereto as Attachment 1 which this Council intends to adopt in substantially such form when all required consents have been obtained;

NOW, THEREFORE, be it resolved by the Council as follows:

Section 1. Approval of Reimbursement Agreements. The form of the First Amendment to the Reimbursement Agreement with Bank of America N.A., and the form of the Reimbursement Agreement with JPMorgan Chase Bank, N.A., with an attached form of direct pay letter of credit, in substantially the forms before this Council ("collectively the "Reimbursement Agreements") are hereby approved. The City Administrative Officer and each Assistant City Administrative Officer (each an "Authorized City Representative") is hereby authorized to execute and enter into the Reimbursement Agreements with such changes as said Authorized City Representative, upon the advice of counsel, deems necessary and appropriate. The signature of any Authorized City Representative shall be sufficient to bind the City and cause each Reimbursement Agreements to be a valid and binding obligations of the City.

Any Authorized City Representative is further authorized to execute and deliver one or more amendments to the Reimbursement Agreements for the purpose of extending the scheduled expiration date thereof for any duration of time deemed necessary, advisable or prudent thereby and modifying such other terms as may be necessary or appropriate by the executing officer, provided that no such amendment shall require the payment of an annual commitment fee in excess of 1.25% (based on the then current ratings of the Series 2008 Subordinate Bonds) of the amount permitted to be drawn thereunder without the approval of this Council. In the event the ratings of JPMorgan Chase Bank, N.A., or Bank of America N.A. are downgraded such that it adversely affects the remarketing of the Series 2008 Subordinate Bonds, any Authorized City Representative is authorized to execute and enter into a new reimbursement agreement in substantially the form of the Reimbursement Agreement provided no such reimbursement agreement shall require the payment of an annual commitment fee in excess of 1.25%. The signature of any Authorized City Representative shall be sufficient to bind the City and cause such amendments to be a valid and binding obligations of the City.

Section 2. Appointment of Remarketing Agents. In order to assure the continued remarketing of the Series 2008 Subordinate Bonds at the lowest practical costs to the City and otherwise in the best interest of the City, any Authorized City Representative is authorized to appoint, from time to time, one or more remarketing agents for one or more series of the Series 2008 Subordinate Bonds, so long as the new Remarketing Agent is on the City's approved list of underwriters, as the same may be changed from time to time.

Section 3. Supplement to Official Statement. The form of the Supplement to Official Statement relating to the Series 2008 Subordinate Bonds (the "Official Statement Supplement"), submitted to this meeting is hereby approved, with such changes as may be approved by the Authorized City Representatives. Said Authorized City Representatives are also hereby authorized and directed to cause the printing and delivery of the Official Statement Supplement and the distribution of the Official Statement Supplement is hereby approved.

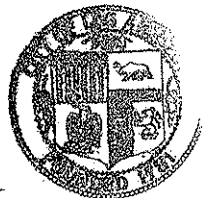
Section 4. Additional Actions. All actions heretofore taken by any officers, employees, agents or directors of the City, with respect to the negotiation, execution and delivery of the Reimbursement Agreements, or in connection with any amendment thereto, or in connection with respect to the remarketing of the Series 2008 Subordinate Bonds, including (without limitation) the execution of a new remarketing agreement (substantially in form of the previously approved form), and the making of any filings with the Municipal Securities Rulemaking Board, are hereby approved, confirmed and ratified; and the officers of the City and their authorized representatives, and each of the foregoing acting alone is, hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and to take any and all actions, including distributing notices and soliciting consents related to the proposed Supplemental Resolution, and to execute and deliver such documents, agreements and certificates, which they, or any of them, may deem necessary or advisable to effectuate the purposes of this Resolution.

Section 5. Attestation by the City Clerk. The City Clerk is hereby authorized and directed to attest the signature of any Authorized City Officer, as may be required or appropriate in connection with the execution and delivery of the Reimbursement Agreements or related documents.

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 26th day of June, 2010.

JUNE LAGMAY  
CITY CLERK

By: Veronica Warner  
Deputy City Clerk



Approved as to form:

CARMEN A. TRUTANICH  
CITY ATTORNEY

By: \_\_\_\_\_  
Assistant City Attorney