

CITY OF LOS ANGELES
CALIFORNIA

JUNE LAGMAY
City Clerk

HOLLY L. WOLCOTT
Executive Officer



ANTONIO R. VILLARAIGOSA
MAYOR

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

SHANNON HOPPE
Council and Public Services
Division

www.cityclerk.lacity.org

When making inquiries relative to
this matter, please refer to the
Council File No.

May 14, 2013

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 13-0414,
at its meeting held May 7, 2013.

A handwritten signature in cursive script, appearing to read 'June Lagmay', is written in black ink.

City Clerk
OS

24

TIME LIMIT FILES
ORDINANCES

Mayor's Time Stamp
OFFICE OF THE MAYOR
RECEIVED
2013 MAY -7 PM 12:31
CITY OF LOS ANGELES

FORTHWITH

City Clerk's Time Stamp
RECEIVED
CITY CLERK'S OFFICE
2013 MAY -7 PM 12:25
CITY CLERK
BY _____ DEPUTY

COUNCIL FILE NUMBER 13-0414 COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE MAY 7, 2013 LAST DAY FOR MAYOR TO ACT MAY 17 2013

ORDINANCE TYPE: Ord of Intent Zoning Personnel General
 Improvement LAMC LAAC CU or Var Appeals - CPC No. _____

SUBJECT MATTER: THE ISSUANCE OF THE LOS ANGELES WASTEWATER SYSTEM REVENUE BONDS
REFUNDING SERIES 2013

Senior lien bonds; 182530; Eff: MAY 10 2013

Procedures; 182531; Eff: JUN 10 2013

PLANNING COMMISSION

DIRECTOR OF PLANNING

CITY ATTORNEY

CITY ADMINISTRATIVE OFFICER

OTHER

APPROVED

DISAPPROVED

BY _____ DEPUTY

CITY CLERK

2013 MAY -7 PM 2:05

CITY CLERK'S OFFICE

RECEIVED

MAY 07 2013

DATE OF MAYOR APPROVAL MAY 7 2013 DEEMED APPROVED OR *VETO _____
(*VETOED ORDINANCES MUST BE ACCOMPANIED WITH OBJECTIONS IN WRITING PURSUANT TO CHARTER SEC. 250(b) (c))

(CITY CLERK USE ONLY PLEASE DO NOT WRITE BELOW THIS LINE)

DATE RECEIVED FROM MAYOR MAY - 7 2013 ORDINANCE NO. 's See Above

DATE PUBLISHED MAY 10 2013 DATE POSTED _____ EFFECTIVE DATE See Above

ORD OF INTENT: HEARING DATE _____ ASSESSMENT CONFIRMATION _____

ORDINANCE FOR DISTRIBUTION: YES NO

24

COMMUNICATION

File No. 13-0414

TO: THE COUNCIL OF THE CITY OF LOS ANGELES

**FROM: COUNCILMEMBER JOSE HUIZAR, CHAIR
ENERGY AND ENVIRONMENT COMMITTEE**

COMMUNICATION FROM CHAIR, ENERGY AND ENVIRONMENT COMMITTEE, RESOLUTION and ORDINANCES relative to the issuance of the Los Angeles Wastewater System Revenue Bonds Refunding Series 2013.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the accompanying Twenty-Seventh Supplemental RESOLUTION, and Sixteenth Supplemental RESOLUTION, including various documents required to execute the transactions, and authorizes the City Administrative Officer (CAO) to take certain actions required to manage the transactions, as detailed in the CAO April 11, 2013 report and attached to the Council file.
2. PRESENT and ADOPT the accompanying ORDINANCE providing for the issuance of senior lien bonds and subordinate bonds for the Wastewater System and amending Section 5.168.1 of the Los Angeles Administrative Code to add related special funds.
3. PRESENT and ADOPT the accompanying ORDINANCE amending Chapter 1 of Division 11 of the Los Angeles Administrative Code to add a new Article 6.7 to establish procedures for the issuance and sale of revenue bonds for the City's wastewater system.
4. AUTHORIZE the CAO to make technical changes to implement the intent of the Council and Mayor.

Fiscal Impact Statement: The CAO reports that the debt service on the Wastewater System Revenue Bonds is paid from the Sewer Construction and Maintenance Fund and that the costs of issuance will be paid from bond proceeds. Approval of the proposed resolution will have no impact on the City's General Fund.

Debt Impact Statement: The CAO reports that there is no debt impact to the City's General Fund from the approval of the recommendations in this report. The proposed transactions are expected to generate savings for the Sewer and Construction Maintenance Fund, pursuant to the City's Debt Management Policies, which will be determined at the time of issuance subject to market conditions.

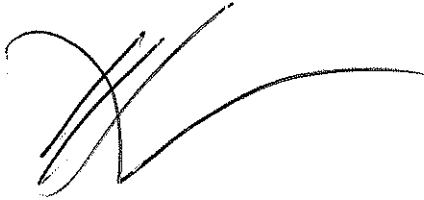
Community Impact Statement: None submitted.

Summary:

On May 1, 2013, the Chair of the Energy and Environment Committee considered an April 11, 2013 CAO report and Ordinance relative to the issuance of the Los Angeles Wastewater System Revenue Refunding Bonds, Series 2013.

After consideration and having provided an opportunity for public comment, the Committee Chair moved to recommend approval of the recommendation as contained in the April 11, 2013 CAO report and detailed above. This matter is now submitted to Council for its consideration.

Respectfully submitted,



COUNCILMEMBER JOSE HUIZAR, CHAIR
ENERGY AND ENVIRONMENT COMMITTEE

ADOPTED
MAY 07 2013
LOS ANGELES CITY COUNCIL
TO THE MAYOR FORTHWITH

<u>MEMBER</u>	<u>VOTE</u>
HUIZAR:	YES
ZINE:	ABSENT
ALARCÓN:	ABSENT
KORETZ:	ABSENT
LABONGE	ABSENT

EV
13-0414_rpt_ee_5-1-13.doc

Not Official Until Council Acts

MAYOR WITH FILE

ATTACHMENT A

TWENTY-SEVENTH SUPPLEMENTAL RESOLUTION

THE COUNCIL OF THE CITY OF LOS ANGELES

TWENTY-SEVENTH SUPPLEMENTAL RESOLUTION

Adopted by the Council of the City

_____, 2013

SUPPLEMENTING THE

WASTEWATER SYSTEM REVENUE BONDS GENERAL RESOLUTION

Adopted by the Council of the City

November 10, 1987

AND AUTHORIZING AND APPROVING THE ISSUANCE OF
WASTEWATER SYSTEM REVENUE BONDS, SERIES 2013 IN ONE OR MORE SERIES,
INCLUDING REFUNDING BONDS, THE NEGOTIATED SALE OF SUCH
BONDS, THE EXECUTION AND DELIVERY OF DOCUMENTS
RELATED THERETO AND RELATED ACTIONS

TABLE OF CONTENTS

		<u>Page</u>
ARTICLE I	AUTHORIZATION AND SECURITY	6
Section 1.01.	General Resolution; Special Obligations	6
Section 1.02.	Charter, Revenue Bond Law and Refunding Law	6
ARTICLE II	DEFINITIONS; INTERPRETATION.....	6
Section 2.01.	Definitions.....	6
Section 2.02.	Incorporation of Definitions in the General Resolution	12
Section 2.03.	Article and Section References.....	13
Section 2.04.	Treatment of Payments Received Under Service Charges Agreements	13
ARTICLE III	DESCRIPTION THE SERIES 2013 BONDS.....	13
Section 3.01.	Designation of the Series 2013 Bonds; Principal Amounts.....	13
Section 3.02.	Series 2013 Bonds Under the General Resolution; Security	13
Section 3.03.	Terms, Payment Provisions and Parameters of the Series 2013 Bonds	13
Section 3.04.	Approval and Authorization of each Attachment 1 to Constitute a Part of this Resolution.....	15
Section 3.05.	Exchange and Transfer of Series 2013 Bonds	15
Section 3.06.	Book-Entry Bonds	15
Section 3.07.	Form of Series 2013 Bonds.....	17
ARTICLE IV	REDEMPTION.....	25
Section 4.01.	Notices to Bondholders.....	25
Section 4.02.	Optional Redemption of the Series 2013 Bonds.....	25
Section 4.03.	Mandatory Sinking Fund Redemption of the Series 2013 Bonds	26
Section 4.04.	[Reserved]	26
Section 4.05.	[Reserved]	26
Section 4.06.	Payment of Series 2013 Bonds Called for Redemption	26
Section 4.07.	Selection of Series 2013 Bonds for Redemption; Series 2013 Bonds Redeemed in Part.....	26
ARTICLE V	APPLICATION OF PROCEEDS.....	27
Section 5.01.	Application of Proceeds.....	27
ARTICLE VI	FUNDS	28
Section 6.01.	Construction Fund.....	28
Section 6.02.	Debt Service Fund.....	28
Section 6.03.	Costs of Issuance Account.....	28
ARTICLE VII	TAX COVENANTS	28
Section 7.01.	Rebate Fund	28
Section 7.02.	Tax Compliance.....	29

TABLE OF CONTENTS

(continued)

		<u>Page</u>
	Section 7.03. [Reserved]	29
	Section 7.04. Additional Actions	29
ARTICLE VIII	[RESERVED]	29
ARTICLE IX	AGENTS	29
	Section 9.01. Appointment of Agents	29
	Section 9.02. Resignation; Removal	29
	Section 9.03. Replacement	30
ARTICLE X	MISCELLANEOUS APPROVALS AND AUTHORIZATIONS	30
	Section 10.01. Findings Related to Negotiated Sale of the Series 2013 Bonds and Selection of Professionals	30
	Section 10.02. Approval of Escrow Agreements	30
	Section 10.03. Approval of Bond Purchase Agreement	30
	Section 10.04. Reserved	30
	Section 10.05. Official Statement	30
	Section 10.06. Execution of Documents; Additional Actions	31
ARTICLE XI	MISCELLANEOUS	31
	Section 11.01. Notices	31
	Section 11.02. Limitation of Rights	32
	Section 11.03. Supplemental Resolution a Contract	32
	Section 11.04. Severability	32
	Section 11.05. Reports to Bondholders	32
	Section 11.06. Payments due on Non-Business Days	32
	Section 11.07. Governing Law	32
	Section 11.08. Captions	32
	Section 11.09. Continuing Disclosure	32
	Section 11.10. Municipal Bond Insurance	33
	Section 11.11. Ratification of Prior Actions	33
	Section 11.12. Effective Date	33
Exhibit A – Form of Attachment 1		A-1
Attachments 1 [To be inserted when completed]		Attachment 1-1

TWENTY-SEVENTH SUPPLEMENTAL RESOLUTION

Providing for

City of Los Angeles
Wastewater System Revenue Bonds
Series 2013

WHEREAS, the City Council (the "Council") of the City of Los Angeles (the "City") on November 10, 1987 adopted a resolution designated as the "WASTEWATER SYSTEM REVENUE BONDS GENERAL RESOLUTION," and supplemental resolutions thereto (collectively, the "General Resolution"), which sets forth the basic terms under which the City may issue wastewater system revenue bonds (the "Bonds") and which provides for a pledge of Revenues (as defined in the General Resolution) to secure all Bonds issued thereunder; and

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

WHEREAS, the Council, by resolution adopted February 24, 1987, submitted to the qualified voters of the City the proposition of issuing bonds pursuant to the procedures set forth in the Revenue Bond Law of 1941, §54300 et seq. of the California Government Code (the "Revenue Bond Law") for the purpose of financing a portion of a major wastewater system improvement program; and

WHEREAS, at such election held June 2, 1987, the voters voting on the proposition approved the issuance of \$500,000,000 of such bonds; and

WHEREAS, the Council, by resolution adopted August 2, 1988, submitted to the qualified voters of the City the proposition of increasing the authorization to issue bonds to finance the wastewater system improvement program from \$500,000,000 to \$2,000,000,000; and

WHEREAS, at such election held November 8, 1988, the voters voting on the proposition approved the increase in the authorization to a total of \$2,000,000,000; and

WHEREAS, the Council, by resolution adopted August 4, 1992, submitted to the qualified voters of the City the proposition of increasing the authorization to issue bonds to finance the wastewater system improvement program from \$2,000,000,000 to \$3,500,000,000; and

WHEREAS, at such election held November 3, 1992, the voters voting on the proposition approved the increase in the authorization to a total of \$3,500,000,000; and

WHEREAS, the City has, under the General Resolution and individual supplemental resolutions thereto, issued the following Wastewater System Revenue Bonds:

Initial Principal Amount	Series
\$125,000,000.00	Series 1987 (the "Series 1987 Bonds")
130,000,000.00	Series 1988 (the "Series 1988 Bonds")
160,076,473.50	Series 1989 (the "Series 1989 Bonds")
108,715,000.00	Series 1990 A (the "Series 1990-A Bonds")
190,000,000.00	Series 1990-B (the "Series 1990-B Bonds")
112,410,000.00	Series 1991-A (the "Series 1991-A Bonds")
112,875,000.00	Series 1991-B (the "Series 1991-B Bonds")
87,125,000.00	Refunding Series 1991-C (the "Series 1991-C Bonds")
200,000,000.00	Series 1991-D (the "Series 1991-D Bonds")
91,890,000.00	Refunding Series 1992-A (the "Series 1992-A Bonds")
200,000,000.00	Series 1992-B (the "Series 1992-B Bonds")
301,015,000.00	Refunding Series 1993-A (the "Series 1993-A Bonds")
150,000,000.00	Series 1993-B (the "Series 1993-B Bonds")
76,885,000.00	Refunding Series 1993-C (the "Series 1993-C Bonds")
388,290,000.00	Refunding Series 1993-D (the "Series 1993-D Bonds")
150,000,000.00	Series 1994-A (the "Series 1994-A Bonds")
72,520,000.00	Refunding Series 1996-A (the "Series 1996-A Bonds")
35,250,000.00	Refunding Series 1997-A (the "Series 1997-A Bonds")
253,955,000.00	Series 1998-A (the "Series 1998-A Bonds")
120,855,000.00	Refunding Series 1998-B (the "Series 1998-B Bonds")
63,705,000.00	Refunding Series 1998-C (the "Series 1998-C Bonds")
88,390,000.00	Refunding Series 1999-A (the "Series 1999-A Bonds")
102,850,000.00	Refunding Series 2002-A (the "Series 2002-A Bonds")
204,335,000.00	Refunding Series 2003-A (the "Series 2003-A Bonds")
225,510,000.00	Refunding Series 2003-B (the "Series 2003-B Bonds")
300,655,000.00	Refunding Series 2005-A (the "Series 2005-A Bonds")
454,785,000.00	Refunding Series 2009-A (the "Series 2009-A Bonds")
177,420,000.00	Series 2010-A (the "Series 2010-A Bonds")
89,600,000.00	Series 2010-B (the "Series 2010-B Bonds")
49,650,000.00	Refunding Series 2012-A (the "Series 2012-A Bonds")

all of which Senior Lien Bonds (to the extent Outstanding) shall be collectively referred to herein as the "Prior Senior Bonds," which are Outstanding in the aggregate principal amount of \$1,146,930,000 as of the date hereof; and

WHEREAS, on March 26, 1991, the Council adopted a Wastewater System Subordinate Revenue Bonds General Resolution (the "Subordinate General Resolution") and supplemental resolutions thereto that sets forth the basic terms under which the City may issue wastewater system revenue bonds ("Subordinate Bonds") that are subordinate to the Bonds and provide for a pledge of Revenues to secure all bonds issued thereunder, which pledge of Revenues is subordinate to the pledge of Revenues established pursuant to the General Resolution and that authorizes a commercial paper program through the issuance from time to time of commercial paper notes (the "Commercial Paper Notes") which commercial paper notes are payable on a basis subordinate to the Bonds issued under the General Resolution; and

WHEREAS, the City has, under the Subordinate General Resolution and individual supplemental resolutions thereto, authorized the issuance of the following Wastewater System Subordinate Revenue Bonds:

Initial Principal Amount	Series
\$123,400,000	Variable Rate Refunding Series 2001 A (the "Subordinate Refunding Series 2001 A Bonds")
123,400,000	Variable Rate Refunding Series 2001 B (the "Subordinate Refunding Series 2001 B Bonds")
46,300,000	Variable Rate Refunding Series 2001 C (the "Subordinate Refunding Series 2001 C Bonds")
15,500,000	Variable Rate Refunding Series 2001 D (the "Subordinate Refunding Series 2001 D Bonds")
365,510,000	Refunding Series 2003 A (the "Subordinate Refunding Series 2003 A Bonds")
269,450,000	Refunding Series 2003 B (the "Subordinate Refunding Series 2003 B Bonds")
118,810,000	Variable Rate Refunding Series 2006-A (the "Subordinate Refunding Series 2006-A Bonds")
71,280,000	Variable Rate Refunding Series 2006-B-1 (the "Subordinate Refunding Series 2006-B-1 Bonds")
27,715,000	Variable Rate Refunding Series 2006-B-2 (the "Subordinate Refunding Series 2006-B-2 Bonds")
49,490,000	Variable Rate Refunding Series 2006-C (the "Subordinate Refunding Series 2006-C Bonds")
49,490,000	Variable Rate Refunding Series 2006-D (the "Subordinate Refunding Series 2006-D Bonds" (the "Subordinate Refunding Series 2006-D Bonds"))
84,730,000	Variable Rate Refunding Series 2008-A (the "Subordinate Refunding Series 2008-A Bonds")
69,780,000	Variable Rate Refunding Series 2008-B (the "Subordinate Refunding Series 2008-B Bonds")
49,840,000	Refunding Series 2008-C (the "Subordinate Refunding Series 2008-C Bonds")
31,900,000	Refunding Series 2008 D (the "Subordinate Refunding Series 2008-D Bonds")
10,065,000	Variable Rate Refunding Series 2008 E (the "Subordinate Refunding Series 2008-E Bonds")
68,510,000	Variable Rate Refunding Series 2008 F-1 (the "Subordinate Refunding Series 2008 F-1 Bonds")
57,115,000	Variable Rate Refunding Series 2008 F-2 (the "Subordinate Refunding Series 2008 F-2 Bonds")
36,330,000	Variable Rate Refunding Series 2008-G (the "Subordinate Refunding Series 2008-G Bonds")
36,330,000	Variable Rate Refunding Series 2008-H (the "Subordinate Refunding Series 2008-H Bonds")

Initial Principal Amount	Series
199,790,000	Series 2010-A (the "Subordinate Series 2010-A Bonds")
157,055,000	Refunding Series 2012-A (the "Subordinate Refunding Series 2012-A Bonds")
253,880,000	Refunding Series 2012-B (the "Subordinate Refunding Series 2012-B Bonds")
133,715,000	Refunding Series 2012-C (the "Subordinate Refunding Series 2012-C Bonds")
280,860,000	Variable Rate Refunding Series 2012-D (the "Subordinate Refunding Series 2012-D Bonds")

all of which Subordinate Bonds (to the extent Outstanding) shall be collectively referred to herein as the "Prior Subordinate Bonds," which are Outstanding in the aggregate principal amount of \$1,307,115,000 as of the date hereof; and

WHEREAS, the General Resolution provides that additional Bonds may be issued in one or more Series, and the City has determined that it is now appropriate to authorize the issuance of one or more Series of Bonds designated as Revenue Bonds, Series 2013, with such additional Series designations, including "Refunding Bonds" as shall be deemed necessary or appropriate as provided herein (the "Series 2013 Bonds"), through the adoption of this Twenty-Seventh Supplemental Resolution (the "Twenty-Seventh Supplemental Resolution") in accordance with the provisions of the General Resolution, for the purpose of (i) refunding all or any portion of the outstanding Commercial Paper Notes and/or refunding all or any portion of the Prior Senior Bonds (the "Refunded Senior Bonds") and/or of the Prior Subordinate Bonds (the "Refunded Subordinate Bonds" and, together with the Commercial Paper Notes and the Refunded Senior Bonds, the "Refunded Obligations"), whether through a current refunding or an advance refunding, (ii) funding any deposit into a 2013-A Construction Fund in an amount needed to pay any Project Costs associated with any improvements to the System, (iii) funding any required deposit into the Reserve Fund in connection with the issuance of any Series of Series 2013 Bonds, and (iv) paying the costs of issuance in connection with the issuance of any Series of Series 2013 Bonds; and

WHEREAS, the Series 2013 Bonds shall be issued pursuant to and in accordance with the procedures set forth in the Charter, the Revenue Bond Law and Article 10 and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (§53570 et seq.) of the California Government Code (the "Refunding Law") and the provisions of the General Resolution, including this Twenty-Seventh Supplemental Resolution; and

WHEREAS, the Series 2013 Bonds may be issued in one or more Series, in such amounts and with such payment terms and details as the City Administrative Officer, upon the advice of the City's financial advisors, shall determine to be in the City's best interests and which are otherwise consistent with the provisions and parameters of this Twenty-Seventh Supplemental Resolution; and

WHEREAS, concurrently with the issuance of the Series 2013 Bonds, the City proposes to issue Subordinate Bonds (the "2013 Subordinate Bonds") pursuant to a Sixteenth

Supplemental Resolution (the "Sixteenth Supplemental Resolution") adopted on even date herewith; and

WHEREAS, the aggregate principal amount of Series 2013 Bonds issued pursuant to this Twenty-Seventh Supplemental Resolution and the 2013 Subordinate Bonds issued pursuant to the Sixteenth Supplemental Resolution for the purpose of financing improvements to the System shall not exceed \$95,000,000; and

WHEREAS, any refunding to be accomplished with the proceeds from the sale of any Series of Series 2013 Bonds issued pursuant to this Twenty-Seventh Supplemental Resolution will result in (i) with respect to the Refunded Senior Bonds or Refunded Subordinate Bonds, either (A) (1) a minimum present value savings equal to at least 70% of the maximum call option value of the Refunded Senior Bonds or Refunded Subordinate Bonds being refunded or (2) a minimum average net present value savings of 3%, expressed as a percentage of the principal amount of the Refunded Senior Bonds or Refunded Subordinate Bonds being refunded, or (B) a desirable restructuring of debt or benefits to the manageability and convenience of the bond financing and refunding program for the System and (ii) with respect to the Commercial Paper Notes, a desirable restructuring of debt or benefits for the manageability and convenience of the System's Bond financing and refunding program, in each case, as determined by the City Administrative Officer, upon the advice of the City's financial advisors, at or before the time of issuance; and

WHEREAS, the aggregate principal amount of Series 2013 Bonds issued pursuant to this Twenty-Seventh Supplemental Resolution for the purpose of refunding Senior Bonds or Subordinate Bonds (not including the Commercial Paper Notes) shall not be limited in principal amount if such refunding satisfies either clause (1) or (2) of clause (i)(A) of the preceding recitation; and

WHEREAS, Sections 5450 et seq. of the California Government Code (the "Government Code") provide statutory authority for pledging collateral for the payment of principal or redemption price of, and interest on bonds, and the Government Code creates a continuing perfected security interest which shall attach immediately to such collateral irrespective of whether the parties to the pledge documents have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act, and the City hereby warrants and represents that pursuant to the General Resolution and this Twenty-Seventh Supplemental Resolution, the Owners of the Series 2013 Bonds have a first priority perfected security interest in Revenues that serve as the collateral for the Series 2013 Bonds pursuant to the Government Code; and

WHEREAS, the City has determined, based upon the existing market conditions and upon the advice of its financial advisors and the City Attorney, that it is in the best financial interests of the City to sell the Series 2013 Bonds through a negotiated underwriting process, provided that, if market conditions should change, nothing herein shall preclude the City from selling the Series 2013 Bonds on a competitive basis, and has further determined that it is not practicable or compatible with the City's best interests to select the other professionals for the Series 2013 Bonds by sealed competitive bids, and the Council desires to make relevant findings in this regard in order to comply with recent judicial interpretations of such requirements; and

WHEREAS, the Twenty-Seventh Supplemental Resolution is adopted in accordance with the provisions of the General Resolution;

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

ARTICLE I

AUTHORIZATION AND SECURITY

Section 1.01. General Resolution; Special Obligations. The Series 2013 Bonds authorized by this Twenty-Seventh Supplemental Resolution are Bonds issued under the terms of the General Resolution and secured by and entitled to the security and the rights granted by the General Resolution. The Series 2013 Bonds shall be issued on a parity with the Prior Senior Bonds and any other Senior Lien Bonds issued hereafter and shall be senior to the Commercial Paper Notes, all Prior Subordinate Bonds and any other Subordinate Bonds issued hereafter, including the 2013 Subordinate Bonds, pursuant to the Subordinate General Resolution.

The Series 2013 Bonds shall be and are special, limited obligations of the City, and the City shall be obligated to pay the principal of, premium, if any, and interest on the Series 2013 Bonds solely from the Revenues and from amounts in the SCM Fund, the Debt Service Fund, the Reserve Fund and the Construction Funds. The general fund of the City is not liable for the payment of the principal of, interest on or premium, if any, on the Series 2013 Bonds. Neither the full faith and credit nor the taxing power of the City is pledged to pay the Series 2013 Bonds. The principal of and interest on the Series 2013 Bonds and any premiums upon the redemption of any thereof are not a debt of the City nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues except the Revenues and amounts in the Debt Service Fund, Reserve Fund and Construction Funds.

Section 1.02. Charter, Revenue Bond Law and Refunding Law. The Series 2013 Bonds are hereby declared to be issued under and pursuant to the terms of the Charter, the Revenue Bond Law and the Refunding Law and secured as provided in the Revenue Bond Law and Refunding Law, as applicable; provided, however, that the security provided in the Series 2013 Bonds is also granted to secure other Bonds issued under the General Resolution and provided that subordinated liens on the Revenues may be granted. The Series 2013 Bonds may recite that they are issued pursuant to the Charter, the Revenue Bond Law or the Refunding Law, as applicable. It is hereby declared that a portion of the proceeds of the Series 2013 Bonds issued as refunding bonds may be held in part and for such time as the City may deem advisable in trust for the protection of the owners of the Refunded Obligations.

ARTICLE II

DEFINITIONS; INTERPRETATION

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

“Attachment 1” means each Attachment 1 to this Twenty-Seventh Supplemental Resolution, substantially in the form of Exhibit A hereto, completed, executed and delivered by

the City Administrative Officer pursuant to Section 3.04 hereof in connection with the issuance of the related Series of Series 2013 Bonds and setting forth the terms thereof as described in Article III hereof; each such Attachment No. 1, upon execution and delivery, shall become a part of this Twenty-Seventh Supplemental Resolution.

“Authorized City Representative” means the Mayor, the City Clerk, the City Controller, the City Administrative Officer or a duly authorized designee of any of the foregoing, or any one or more of them and, in addition to the foregoing, for the purpose of directing the investment of money under the General Resolution only, the Treasurer or any Assistant Treasurer.

“Authorized Denominations” means denominations of \$5,000 and integral multiples thereof.

“Beneficial Owner” means, whenever used with respect to a Series 2013 Bond, the person in whose name such Bond is recorded as the beneficial owner by a Participant on the records of such Participant or such person’s subrogee.

“Book-Entry Bonds” means the Series 2013 Bonds held by DTC (or its nominee) as the registered owner thereof pursuant to the terms and provisions of Section 3.06 hereof.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2013 Bonds.

“Charter” means the Charter of the City of Los Angeles.

“City Administrative Officer” means the City Administrative Officer of the City, any Assistant City Administrative Officer of the City or any duly authorized designee thereof.

“Commercial Paper Notes” or “CP Notes” means the City’s Wastewater System Commercial Paper Revenue Notes outstanding under the Subordinate Bond Resolution, as amended and supplemented, as of the effective date of this Twenty-Seventh Supplemental Resolution.

“Continuing Disclosure Certificate” means each Continuing Disclosure Certificate executed by the City and dated the date of issuance and delivery of any Series of Series 2013 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all costs and expenses incurred by the City in connection with the issuance of any Series of Series 2013 Bonds and the refunding of any Refunded Obligations pursuant to this Twenty-Seventh Supplemental Resolution, including, but not limited to, costs and expenses of printing and copying documents and the Series 2013 Bonds, any fees incurred in connection with agreements described in Section 10.06 hereof, and the fees, costs and expenses of rating agencies, counsel, accountants, verification specialists, underwriters, engineers, financial advisors, the escrow agent, insurance consultants and other consultants and agents.

“CP Debt Service Fund” has the meaning given such term in the Subordinate General Resolution.

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

“Escrow Agent” means a financial institution meeting the City’s capitalization requirements appointed pursuant to Section 9.01 hereof to serve as escrow agent under an Escrow Agreement.

“Escrow Agreement” means an agreement between the City and an Escrow Agent, and related to the deposit, investment and use of a portion of the proceeds of any Series of Series 2013 Bonds and the earnings thereon to pay principal of, and premium and interest on any Refunded Obligations and to pay the Costs of Issuance of such Series of Series 2013 Bonds.

“General Resolution” means that Wastewater System Revenue Bonds General Resolution adopted by the Council on November 10, 1987 and setting forth the terms under which wastewater system revenue bonds of the City may be issued and secured, as amended and supplemented from time to time in accordance with the terms thereof.

“General Wastewater System Construction Fund” means that fund created by Ordinance No. 165924 of the City adopted on May 22, 1990 into which the City shall from time to time deposit either directly or by payment from other funds Bond proceeds and the earnings thereon to be used to pay Project costs.

“Interest Payment Date,” for any Series of Series 2013 Bonds, means December 1, 2013, and each June 1 and December 1 thereafter, or such other interest payment dates designated in Attachment 1 with respect to such Series.

“Opinion of Bond Counsel” means an Opinion of Counsel by Bond Counsel.

“Opinion of Counsel” means a written opinion of counsel who is acceptable to the City. The counsel may be an employee of or counsel to the City.

“Prior Senior Bonds” means, collectively, the Series 1987 Bonds, the Series 1988 Bonds, the Series 1989 Bonds, the Series 1990-A Bonds, the Series 1990-B Bonds, the Series 1991-A Bonds, the Series 1991-B Bonds, the Series 1991-C Bonds, the Series 1991-D Bonds, the Series 1992-A Bonds, the Series 1992-B Bonds, the Series 1993-A Bonds, the Series 1993-B Bonds, the Series 1993-C Bonds, the Series 1993-D Bonds, the Series 1994-A Bonds, the Series 1996-A Bonds, the Series 1997-A Bonds, the Series 1998-A Bonds, the Series 1998-B Bonds, the Series 1998-C Bonds, the Series 1999-A Bonds, the Series 2002-A Bonds, the Series 2003-A Bonds, the Series 2003-B Bonds, the Series 2005-A Bonds, the Series 2009-A Bonds, the Series 2010-A Bonds, the Series 2010-B Bonds and the Series 2012-A Bonds, previously issued by the City pursuant to the General Resolution.

“Prior Subordinate Bonds” means, collectively, the Subordinate Refunding Series 2001-A Bonds, the Subordinate Refunding Series 2001-B Bonds, the Subordinate Refunding Series 2001-C Bonds, the Subordinate Refunding Series 2001-D Bonds, the Subordinate Refunding Series 2003-A Bonds, the Subordinate Refunding Series 2003-B Bonds, the Subordinate Refunding Series 2006-A Bonds, the Subordinate Refunding Series 2006-B-1 Bonds, the Subordinate Refunding Series 2006-B-2 Bonds, the Subordinate Refunding Series 2006-C

Bonds, the Subordinate Refunding Series 2006-D Bonds, the Subordinate Refunding Series 2008-A Bonds, the Subordinate Refunding Series 2008-B Bonds, the Subordinate Refunding Series 2008-C Bonds, the Subordinate Refunding Series 2008-D Bonds, the Subordinate Refunding Series 2008-E Bonds, the Subordinate Refunding Series 2008-F-1 Bonds, the Subordinate Refunding Series 2008-F-2 Bonds, the Subordinate Refunding Series 2008-G Bonds, the Subordinate Refunding Series 2008-H Bonds, the Subordinate Series 2010-A Bonds, the Subordinate Refunding Series 2012-A Bonds, the Subordinate Refunding Series 2012-B Bonds, the Subordinate Refunding Series 2012-C Bonds and the Subordinate Refunding Series 2012-D Bonds, previously issued by the City pursuant to the Subordinate General Resolution.

“Record Date” means, for a June 1 Interest Payment Date, the close of business on the preceding May 15 and, for a December 1 Interest Payment Date, the close of business on the preceding November 15, whether or not such day is a Business Day, or such other record dates designated in Attachment 1 with respect to such Series.

“Refunded Obligations” means all or any of the Refunded Senior Bonds and the Refunded Subordinate Bonds and, if applicable, the Commercial Paper Notes.

“Refunded Senior Bonds” means all or any of the Prior Senior Bonds to be refunded by the Series 2013 Bonds, as described in Attachment 1 relating to such Series of Series 2013 Bonds.

“Refunded Subordinate Bonds” means all or any of the Prior Subordinate Bonds to be refunded by the Series 2013 Bonds, as described in Attachment 1 relating to such Series of Series 2013 Bonds.

“Representation Letter” means the Master Letter of Representations from the City to DTC which Representation Letter shall apply to the Series 2013 Bonds.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

“Series” means any Series of Series 2013 Bonds as designated in Attachment 1 attached hereto.

“Series 2013 Bonds” means the City of Los Angeles Wastewater System Revenue Bonds, of each Series issued pursuant to the General Resolution and this Twenty-Seventh Supplemental Resolution.

“Series 2012-A Bonds” means the \$49,650,000 City of Los Angeles Wastewater System Revenue Bonds, Refunding Series 2012-A issued pursuant to the General Resolution and the Twenty-Sixth Supplemental Resolution.

“Series 2010-A Bonds” means the \$177,420,000 City of Los Angeles Wastewater System Revenue Bonds, Series 2010-A issued pursuant to the General Resolution and the Twenty-Fifth Supplemental Resolution.

“Series 2010-B Bonds” means the \$89,600,000 City of Los Angeles Wastewater System Revenue Bonds, Series 2010-B issued pursuant to the General Resolution and the Twenty-Fifth Supplemental Resolution.

“Series 2009-A Bonds” means the \$454,785,000 City of Los Angeles Wastewater System Revenue Bonds, Refunding Series 2009-A issued pursuant to the General Resolution and the Twenty-Fourth Supplemental Resolution.

“Series 2005-A Bonds” means the \$300,655,000 City of Los Angeles Wastewater System Revenue Bonds, Refunding Series 2005-A issued pursuant to the General Resolution and the Twenty-Third Supplemental Resolution.

“Series 2003-B Bonds” means the \$225,510,000 City of Los Angeles Wastewater System Revenue Bonds Refunding Series 2003-B issued pursuant to the General Resolution and the Twenty-Second Supplemental Resolution.

“Series 2003-A Bonds” means the \$204,335,000 City of Los Angeles Wastewater System Revenue Bonds Refunding Series 2003-A issued pursuant to the General Resolution and the Twenty-First Supplemental Resolution.

“Series 2002-A Bonds” means the \$102,850,000 City of Los Angeles Wastewater System Revenue Bonds Refunding Series 2002-A issued pursuant to the General Resolution and the Twentieth Supplemental Resolution.

“Series 1999-A Bonds” means the \$88,390,000 The City of Los Angeles Wastewater System Revenue Bonds Refunding Series 1999-A issued pursuant to the General Resolution and the Nineteenth Supplemental Resolution.

“Series 1998-A Bonds” means the \$253,955,000 The City of Los Angeles Wastewater System Revenue Bonds Series 1998-A issued pursuant to the General Resolution and the Seventeenth Supplemental Resolution.

“Series 1998-B Bonds” means the \$120,855,000 The City of Los Angeles Wastewater System Revenue Bonds Refunding Series 1998-B issued pursuant to the General Resolution and the Seventeenth Supplemental Resolution.

“Series 1998-C Bonds” means the \$63,705,000 The City of Los Angeles Wastewater System Revenue Bonds Refunding Series 1998-C issued pursuant to the General Resolution and the Eighteenth Supplemental Resolution.

“Series 1997-A Bonds” means the \$35,250,000 The City of Los Angeles Wastewater System Revenue Bonds Refunding Series 1997-A issued pursuant to the General Resolution and the Sixteenth Supplemental Resolution.

“Series 1996-A Bonds” means the \$72,520,000 The City of Los Angeles Wastewater System Revenue Bonds Refunding Series 1996-A issued pursuant to the General Resolution and the Fifteenth Supplemental Resolution.

“Series 1994-A Bonds” means the \$150,000,000 The City of Los Angeles Wastewater System Revenue Bonds Series 1994-A issued pursuant to the General Resolution and the Fourteenth Supplemental Resolution.

“Series 1993-A Bonds” means the \$301,015,000 The City of Los Angeles Wastewater System Revenue Bonds Refunding Series 1993-A issued pursuant to the General Resolution and the Eleventh Supplemental Resolution.

“Series 1993-B Bonds” means the \$150,000,000 The City of Los Angeles Wastewater System Revenue Bonds Series 1993-B issued pursuant to the General Resolution and the Twelfth Supplemental Resolution.

“Series 1993-C Bonds” means the \$76,885,000 The City of Los Angeles Wastewater System Revenue Bonds Refunding Series 1993-C issued pursuant to the General Resolution and the Twelfth Supplemental Resolution.

“Series 1993-D Bonds” means the \$388,290,000 The City of Los Angeles Wastewater System Revenue Bonds Refunding Series 1993-D issued pursuant to the General Resolution and the Thirteenth Supplemental Resolution.

“Series 1992-A Bonds” means the \$91,890,000 The City of Los Angeles Wastewater System Revenue Bonds Refunding Series 1992-A issued pursuant to the General Resolution and the Ninth Supplemental Resolution.

“Series 1992-B Bonds” means the \$200,000,000 The City of Los Angeles Wastewater System Revenue Bonds Series 1992-B issued pursuant to the General Resolution and the Tenth Supplemental Resolution.

“Series 1991-A Bonds” means the \$112,410,000 The City of Los Angeles Wastewater System Revenue Bonds Series 1991-A issued pursuant to the General Resolution and the Sixth Supplemental Resolution.

“Series 1991-B Bonds” means the \$112,875,000 The City of Los Angeles Wastewater System Revenue Bonds Series 1991-B issued pursuant to the General Resolution and the Seventh Supplemental Resolution.

“Series 1991-C Bonds” means the \$87,125,000 The City of Los Angeles Wastewater System Revenue Bonds Refunding Series 1991-C issued pursuant to the General Resolution and the Seventh Supplemental Resolution.

“Series 1991-D Bonds” means the \$200,000,000 The City of Los Angeles Wastewater System Revenue Bonds Series 1991-D issued pursuant to the General Resolution and the Eighth Supplemental Resolution.

“Series 1990-A Bonds” means the \$108,715,000 The City of Los Angeles Wastewater System Revenue Bonds Series 1990-A issued pursuant to the General Resolution and the Fourth Supplemental Resolution.

“Series 1990-B Bonds” means the \$190,000,000 The City of Los Angeles Wastewater System Revenue Bonds Series 1990-B issued pursuant to the General Resolution and the Fifth Supplemental Resolution.

“Series 1989 Bonds” means the \$160,076,473.50 The City of Los Angeles Wastewater System Revenue Bonds Series 1989 issued pursuant to the General Resolution and the Third Supplemental Resolution.

“Series 1988 Bonds” means the \$130,000,000 The City of Los Angeles Wastewater System Revenue Bonds Series 1988 issued pursuant to the General Resolution and the Second Supplemental Resolution.

“Series 1987 Bonds” means the \$125,000,000 The City of Los Angeles Wastewater System Revenue Bonds Series 1987 issued pursuant to the General Resolution and the First Supplemental Resolution.

“Service Charges Agreements” means, collectively, those Supplemental Service Charges Agreements or similar agreements entered into by the City and other political entities which agreements are supplemental to the basic and general contracts or agreements between the City and such entities relating to the use of the System and which supplemental agreements relate to the System and provide for the payment of Supplemental Service Charges or other payments in recognition of the City’s increased expenses as a result of providing System improvements and/or expansions which benefit the contracting political entities.

“Subordinate Bonds” means any bonds or other obligations, including Commercial Paper Notes, issued under the Subordinate General Resolution.

“Subordinate General Resolution” means that Wastewater System Subordinate Revenue Bonds General Resolution adopted by the Council on March 26, 1991, as amended and supplemented from time to time in accordance with the terms thereof, setting forth the terms under which Subordinate Bonds, including the Commercial Paper Notes of the City may be issued and secured.

“Tax Certificate” means that Tax Certificate relating to federal tax matters to be executed on behalf of the City at the time of issuance of any Series of Series 2013 Bonds and as amended from time to time.

“Underwriters” means, collectively, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Cabrera Capital Markets, LLC, Jefferies LLC, J.P. Morgan Securities LLC, Siebert Brandford Shank & Co., L.L.C., or such other Underwriters as may be designated in any subsequent resolution of the City.

Section 2.02. Incorporation of Definitions in the General Resolution. Except as otherwise provided in Section 0 hereof, all words, terms and phrases defined in the General Resolution shall have the same meanings in this Twenty-Seventh Supplemental Resolution as in the General Resolution.

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

Section 2.04. Treatment of Payments Received Under Service Charges Agreements. The City anticipates that, from time to time, it may enter into one or more Service Charges Agreements and it is hereby specifically provided that, for purposes of the definition of "Revenues" as set forth in the General Resolution, it shall be determined and such term shall be interpreted such that, amounts paid to the City under the Service Charges Agreements are and shall be designated as service charges and included as Revenues and are not designated for capital costs.

ARTICLE III

DESCRIPTION THE SERIES 2013 BONDS

Section 3.01. Designation of the Series 2013 Bonds; Principal Amounts. The Series 2013 Bonds are hereby authorized to be issued in one or more Series under the General Resolution and this Twenty-Seventh Supplemental Resolution. The aggregate principal amount of Series 2013 Bonds issued pursuant to this Twenty-Seventh Supplemental Resolution and 2013 Subordinate Bonds issued pursuant to the Sixteenth Supplemental Resolution to finance improvements to the System shall not exceed \$95,000,000. The aggregate principal amount of Series 2013 Bonds issued pursuant to this Twenty-Seventh Supplemental Resolution for the purpose of refunding Senior Bonds or Subordinate Bonds (not including Commercial Paper Notes) shall not be limited except as provided in the preambles to this Twenty-Seventh Supplemental Resolution. The Series 2013 Bonds shall be issued in such principal amounts, and shall be designated as the "City of Los Angeles Wastewater System Revenue Bonds, Series 2013" with such additional Series designations as Refunding Bonds as set forth in the Attachment 1 related to such Series of Series 2013 Bonds.

Section 3.02. Series 2013 Bonds Under the General Resolution; Security. The Series 2013 Bonds are issued under, secured by and subject to the terms of the General Resolution and are secured by the Revenues in accordance with the terms of the General Resolution. The Series 2013 Bonds are special obligations of the City payable only from the Revenues, the SCM Fund, the Debt Service Fund, the Reserve Fund and the Construction Fund, and not from the general fund of the City, and the City is not obligated to pay the Series 2013 Bonds from any other source.

Section 3.03. Terms, Payment Provisions and Parameters of the Series 2013 Bonds. The Series 2013 Bonds shall be issuable only as fully registered bonds in Authorized Denominations. The Series 2013 Bonds shall be signed by the Mayor or the City Administrative Officer, and shall be authenticated by any Authorized City Representative. Any such signature may be by facsimile, except that on one of each Series 2013 Bond there shall be at least one manual signature. The Series 2013 Bonds shall be numbered as any Authorized City Representative shall determine.

The Series 2013 Bonds of each Series, upon initial issuance, shall be dated the date of delivery (or have such other dated date as set forth in the Attachment 1 related to such Series). Each Series 2013 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is after a Record Date and on or prior to the next succeeding Interest Payment Date, in which event such Bond shall bear interest from such next succeeding Interest Payment Date or unless such date of authentication is on or before the first Interest Payment Date, in which event such Bond shall bear interest from its dated date. If interest on the Series 2013 Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the Interest Payment Date to which interest has been paid in full on the Bonds surrendered.

Interest on the Series 2013 Bonds shall be paid on December 1, 2013 and semiannually thereafter on each June 1 and December 1 (or on such other semiannual interest payment dates as set forth in the Attachment 1 related to such Series). Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months.

The Series 2013 Bonds shall mature on June 1 (or on such other date as set forth in the Attachment 1 related to such Series) in the years and in the amounts, subject to prior redemption, and bear interest at the annual rates set forth in the Attachment 1 related to such Series, provided, however, that the final maturity of the Series 2013 Bonds will not be later than 40 years from the date of issuance of such Series and the true interest cost on the Series 2013 Bonds of any Series will not exceed 8%.

Payment of principal of the Series 2013 Bonds shall be made upon surrender of such Series 2013 Bonds to the City Administrative Officer provided that with respect to the Series 2013 Bonds which are Book-Entry Bonds, the Treasurer may make other arrangements for the payment of principal as provided in the Representation Letter. Payment of interest on Series 2013 Bonds which are not Book-Entry Bonds shall be paid by check of the City or a Paying Agent, if a Paying Agent has been appointed, mailed by first-class mail, postage prepaid, to the registered owners at their addresses as they appear on the registration books maintained for the Series 2013 Bonds. The payment of interest on Book-Entry Bonds shall be made as provided in Section 3.06 hereof. With respect to all Series 2013 Bonds, interest shall be paid to the person who was, on the Record Date, the registered owner thereof. The Series 2013 Bonds shall be substantially in the form set forth in Section 3.07 hereof. Principal, interest and premium, if any, will be paid in money of the United States that at the time of payment is legal tender for payment of public and private debts.

Interest on overdue principal of a Series 2013 Bond and, to the extent lawful, on overdue interest on a Series 2013 Bond will be payable at the rate on such Series 2013 Bond on the day before the default occurred.

Any refunding to be accomplished with the proceeds from the sale of any Series of Series 2013 Bonds issued pursuant to this Twenty-Seventh Supplemental Resolution will result in (i) with respect to the Refunded Senior Bonds or Refunded Subordinate Bonds, either (A) (1) a minimum present value savings equal to at least 70% of the maximum call option value of the Refunded Senior Bonds or Refunded Subordinate Bonds being refunded or (2) a minimum average net present value savings of 3%, expressed as a percentage of the principal amount of

the Refunded Senior Bonds or Refunded Subordinate Bonds being refunded, or (B) a desirable restructuring of debt or benefits to the manageability and convenience of the bond financing and refunding program for the System and (ii) with respect to the Commercial Paper Notes, a desirable restructuring of debt or benefits for the manageability and convenience of the System's Bond financing and refunding program, in each case, as determined by the City Administrative Officer, upon the advice of the City's financial advisors, at or before the time of issuance. Satisfaction of this requirement with respect to any Series of Series 2013 Bonds shall be conclusively evidenced by the execution of the Attachment 1 related to such Series.

Section 3.04. Approval and Authorization of each Attachment 1 to Constitute a Part of this Resolution. The City Administrative Officer is hereby authorized to complete, execute and deliver, on or about the date of the delivery of each Series of Series 2013 Bonds the related Attachment 1 substantially in the form of Exhibit A hereto, with such additions and modifications as are necessary or required to complete such document. The form of Attachment 1 is hereby approved and, upon execution and delivery by the City Administrative Officer each such Attachment 1 shall be made a part of this Twenty-Seventh Supplemental Resolution, without any further authorization or approval of this Council or any other party. The City Administrative Officer shall transmit a final copy of each such Attachment 1 to the City Clerk prior to the date of issuance of the related Series of Series 2013 Bonds so that each Attachment 1 can be attached to this Twenty-Seventh Supplemental Resolution in the records of the City, provided that the failure of the City Administrative Officer to so deliver any Attachment 1 or the failure of the City Clerk to so attach the document shall not affect the validity of the Series 2013 Bonds of any Series issued pursuant to this Twenty-Seventh Supplemental Resolution.

Section 3.05. Exchange and Transfer of Series 2013 Bonds. Series 2013 Bonds which are delivered to the Treasurer for exchange may be exchanged for an equal total unpaid principal amount of Series 2013 Bonds of the same Series and maturity but of different Authorized Denominations. Series 2013 Bonds presented to the Treasurer shall be transferred upon the registration books in accordance with the procedures determined by the Treasurer and as provided in Section 3.06 of the General Resolution.

The Treasurer will not, however, be required to transfer or exchange any such Series 2013 Bond during the period beginning 15 days before the mailing of notice calling such Series 2013 Bond for redemption and ending on the date notice of redemption is mailed nor to transfer or exchange any Series 2013 Bond which has been selected for redemption.

Section 3.06. Book-Entry Bonds.

(a) Except as provided in subparagraph (c) of this Section 3.06, the registered owner of all of the Series 2013 Bonds shall be DTC and the Series 2013 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of principal or interest for any Series 2013 Bond registered in the name of Cede & Co. shall be made on the payment date by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of Cede & Co. Such payments shall be made to Cede & Co. at the address which is, on the regular Record Date or special record date, as the case may be, shown for Cede & Co. in the registration books of the City.

(b) The Series 2013 Bonds shall be initially issued in the form of a separate single authenticated fully registered Series 2013 Bond for each separate stated maturity of the Series 2013 Bonds. Upon initial issuance, the ownership of all Series 2013 Bonds shall be registered on the registration books of the City in the name of Cede & Co., as nominee of DTC. The City may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2013 Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Series 2013 Bonds, respectively, selecting the Series 2013 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the General Resolution or this Twenty-Seventh Supplemental Resolution, registering the transfer of Series 2013 Bonds, as the case may be, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and the City shall not be affected by any notice to the contrary. The City shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2013 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books as being a Bondholder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment to DTC or any Participant of any amount in respect of the principal of, redemption price of or interest on the Series 2013 Bonds; any notice which is permitted or required to be given to Bondholders under the General Resolution or this Twenty-Seventh Supplemental Resolution; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2013 Bonds; or any consent given or other action taken by DTC as Bondholder. The City shall pay all principal of and premium, if any, and interest on the Series 2013 Bonds only to or "upon the order of" DTC (as that term is used in the Uniform Commercial Code as adopted in the State of California), and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations, with respect to the principal of and premium, if any, and interest on the Series 2013 Bonds, respectively, to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2013 Bond evidencing the obligation of the City to make payments of principal of and premium, if any, and interest pursuant to the General Resolution or this Twenty-Seventh Supplemental Resolution. Upon delivery by DTC to the City of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Twenty-Seventh Supplemental Resolution shall refer to such new nominee of DTC.

(c) If the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates and that such certificates should, therefore, be made available, and notifies DTC of such determination, then DTC will notify the Participants of the availability through DTC of Bond certificates. In such event the Treasurer shall authenticate and shall transfer and exchange Bond certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2013 Bonds at any time by giving written notice to the City and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the City shall be obligated to deliver Bond certificates as described in this Twenty-Seventh Supplemental Resolution. If Bond certificates are issued, the provisions of the General Resolution and this Twenty-Seventh Supplemental Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the City to do so, the City will cooperate with DTC in taking appropriate action after reasonable notice (a) to

make available one or more separate certificates evidencing the Series 2013 Bonds to any DTC Participant having Series 2013 Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2013 Bonds.

(d) Notwithstanding any other provision of the General Resolution or this Twenty-Seventh Supplemental Resolution to the contrary, so long as any Series 2013 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Series 2013 Bond and all notices with respect to such Series 2013 Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to the General Resolution and this Twenty-Seventh Supplemental Resolution by the City with respect to any consent or other action to be taken by Bondholders, the City shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Bondholder.

Section 3.07. Form of Series 2013 Bonds. The Series 2013 Bonds of each Series shall be substantially in the following form, with such additions, deletions and modifications as shall be necessary or appropriate to conform such form to the Attachment 1 related to each Series:

UNITED STATES OF AMERICA
 STATE OF CALIFORNIA
 CITY OF LOS ANGELES
 WASTEWATER SYSTEM REVENUE BOND,
 [REFUNDING] SERIES 2013-[Add Series Designation]

No. \$ _____

Interest Maturity Date Dated Date CUSIP No.

%

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

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The City of Los Angeles (the "City"), a municipal corporation and a political subdivision of the State of California, organized and operating under the terms of the Charter of the City of Los Angeles and the Constitution of the State of California, promises to pay, from the sources described in this Bond and not from any other sources, to the Registered Owner set forth above or registered assigns, the Principal Amount set forth above on the Maturity Date set forth above, and to pay interest as provided in this Bond.

This Bond is subject to redemption prior to its maturity date. The times, prices and conditions under which this Bond may be redeemed are hereinafter described.

This Bond is authorized, issued and secured under the terms of that Wastewater System Revenue Bonds General Resolution adopted by the Council of the City on November 10, 1987 and the terms of that Twenty-Seventh Supplemental Resolution Supplementing the Wastewater System Revenue Bonds General Resolution, adopted by the Council on _____, 2013. This Bond is issued pursuant to Sections [54300 et seq.] [53570 et seq.] of the California Government Code.

Additional provisions of this Bond are set forth on the following pages of this Bond.

Dated:

[CITY CLERK],
as duly Authorized AUTHENTICATING
AGENT FOR THE CITY OF LOS
ANGELES,
certifies that this is one of the Bonds referred
to in the General Resolution and Twenty-
Seventh Supplemental Resolution referred to
herein.

CITY OF LOS ANGELES

By: _____
[Mayor or City Administrative Officer]

By: _____

[FORM ON FOLLOWING PAGES OF BOND]

1. General Resolution; Twenty-Seventh Supplemental Resolution; Source of Payment. The Council of the City has on November 10, 1987 adopted a resolution captioned "WASTEWATER SYSTEM REVENUE BONDS GENERAL RESOLUTION" (the "General Resolution"), which provides that the City may from time to time issue wastewater system revenue bonds and other forms of obligations and indebtedness under the terms thereof, and such General Resolution pledges to the payment of all obligations issued or incurred under the terms

thereof the “Revenues” of the City’s wastewater system (the “System”), which Revenues are defined as all revenues of the City’s Sewer Construction and Maintenance Fund and revenues otherwise attributable to the System, including, but not limited to, the revenues currently arising as a result of the imposition of sewer service charges, industrial waste surcharge and inspection fees, sewage disposal contract charges, sewerage facility charges and bonded sewer fees and all other income and receipts derived by the City from the ownership or operation of the System or arising from the System and including amounts attributable to extensions, additions and improvements to the System and all other amounts received by the City in payment for providing wastewater collection, treatment and/or disposal services; and all earnings received from the Investment of the SCM Fund (as defined in the General Resolution) and those funds referred to in the General Resolution as the Debt Service Fund, the Debt Service Reserve Fund and the Emergency Fund; provided, however, that Revenues do not include: (1) any amount received from the levy or collection of taxes; (2) amounts received under contracts or agreements with governmental or private entities and designated for capital costs; (3) moneys received as grants from the United States of America or from the State of California; (4) earnings received from the investment of the Construction Funds; (5) the proceeds of borrowing; and (6) proceeds of insurance.

In addition, the City pledges the following to secure bonds and other forms of obligations and indebtedness issued under the General Resolution: (1) the Revenues held in the SCM Fund, including the earnings on such Revenues, and (2) all moneys and securities held in the Debt Service Reserve Fund, the Debt Service Fund (except as restricted by the General Resolution) and the Construction Funds, all as described in the General Resolution.

All bonds, notes and other indebtedness, obligations or securities of any kind or class issued or incurred pursuant to the terms of the General Resolution are referred to as “Bonds” and are all equally and ratably secured by and payable from the Revenues and those funds described in the preceding paragraph. The City has previously issued twenty-nine series of its Wastewater System Revenue Bonds under the General Resolution (the “Prior Senior Bonds”). The Series of Bonds of which this Bond constitutes a part is issued under the terms of the General Resolution and a “TWENTY-SEVENTH SUPPLEMENTAL RESOLUTION SUPPLEMENTING THE WASTEWATER SYSTEM REVENUE BONDS GENERAL RESOLUTION” (the “Twenty-Seventh Supplemental Resolution”) adopted by the Council on _____, 2013, is designated as the “City of Los Angeles Wastewater System Revenue Bonds, [Refunding] Series 2013 [add Series Designation].” All Bonds issued under the Twenty-Seventh Supplemental Resolution are herein referred to as the Series 2013 Bonds. The Series 2013 Bonds [add Series designation] are being issued for the purpose of [refunding all or a portion of the outstanding Commercial Paper Notes issued under a resolution designated as the “WASTEWATER SYSTEM SUBORDINATE REVENUE BONDS GENERAL RESOLUTION” (the “Subordinate General Resolution”) adopted by the City Council on March 26, 1991] [the City’s Refunded Senior Bonds] [the City’s Refunded Subordinate Bonds], and [paying the costs of improvements to the System,] to fund the Reserve Fund and to pay the costs of issuance associated with the issuance of such bonds. The Series 2013 Bonds are issued on a parity with and are payable from the same sources of funds as all Prior Senior Bonds Outstanding.

Additional Bonds may be issued from time to time under the terms of the General Resolution, and all such additional Bonds will be equally and ratably secured with the Series

2013 Bonds and the Prior Senior Bonds in accordance with the Revenue Bond Law by the Revenues and those funds described in the preceding paragraphs and will be payable from the same source as the Series 2013 Bonds and the Prior Senior Bonds. The General Resolution provides that operation and maintenance expenses of the System are to be paid from the Revenues in the SCM Fund as such expenses become due in the ordinary course of business.

The City's obligation to make payment of the principal of, interest on and premium, if any, on the Bonds is only to the extent of the Revenues and amounts in the SCM Fund, the Debt Service Fund, the Debt Service Reserve Fund and the Construction Fund (defined in the General Resolution), and the City has no obligation to make payments from any other sources. The general fund of the City is not liable for the payment of the Series 2013 Bonds or the premium, if any, or interest thereon, and neither the full faith and credit nor the taxing power of the City is pledged for the payment of the Series 2013 Bonds or the premium, if any, of the interest thereon.

The security for the Bonds, the events that constitute Events of Default thereunder and the remedies therefor are set forth in the General Resolution and the Twenty-Seventh Supplemental Resolution, and holders of the Series 2013 Bonds are referred to the General Resolution and the Twenty-Seventh Supplemental Resolution for description of those terms.

2. Interest Rate. This Bond shall bear interest until its Maturity Date or earlier redemption at the rate shown on the face of this Bond. Interest on overdue principal and, to the extent lawful, all overdue interest will be payable at the rate on this Bond on the day before the default occurred.

Interest on this Bond shall be calculated on the basis of a year of 360 days and twelve 30-day months.

3. Interest Payment and Record Dates. Interest will be due and payable on this Bond on December 1, 2013, and each June 1 and December 1 [insert alternative dates if Attachment 1 so provides] thereafter until maturity or earlier redemption and will be paid to the party who is the owner hereof on the Record Date for such payment. The Record Date for a June 1 payment is the close of business on the preceding May 15, and the Record Date for a December 1 payment is the close of business on the preceding November 15, whether or not such day is a Business Day. [insert alternative dates if Attachment 1 so provides]

4. Method of Payment. Holders must surrender Bonds to the Treasurer of the City to collect principal except that with respect to Bonds which are Book-Entry Bonds (as defined in the Twenty-Seventh Supplemental Resolution), the City may make other agreements for payment of principal. Interest will be paid to the party who is, as of the Record Date, the registered holder. If this Bond is not a Book-Entry Bond, as defined in the Twenty-Seventh Supplemental Resolution, interest hereon will be paid by check mailed to the holder's registered address, and, if this Bond is a Book-Entry Bond, interest will be paid as provided in Section 3.06 of the Twenty-Seventh Supplemental Resolution. Principal, interest and premium, if any, will be paid in money of the United States that at the time of payment is legal tender for payment of public and private debts. If any payment on the Bonds is due on a non-Business Day, it will be made on the next Business Day, and no additional interest will accrue as a result.

5. Optional Redemption. [Insert Optional Redemption Terms from Attachment 1 related to such Series]. [The Series 2013 Bonds called for optional redemption shall be designated by the City, or, absent such designation, shall be redeemed pro rata among maturities and by lot within any one maturity.] [If less than all of the Series 2013 Bonds of a maturity are called for prior redemption, the particular Series 2013 Bonds or portions thereof to be redeemed shall be selected by the City on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Series 2013 Bonds are held in book-entry form, the selection for redemption of such Series 2013 Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2013 Bonds will be selected for redemption, in accordance with DTC procedures, by lot.]

6. Mandatory Redemption of Series 2013 Bonds. [To be conformed to Mandatory Redemption Terms from Attachment 1 related such Series]. The Series 2013 Bonds with a stated Maturity Date of [June 1,] will be subject to mandatory sinking fund redemption on [June 1, 20__] and each June 1 thereafter in accordance with the terms of a mandatory sinking fund redemption schedule set forth in the Twenty-Seventh Supplemental Resolution. The Series 2013 Bonds with a stated Maturity Date of [June 1, 20__] will be subject to mandatory sinking fund redemption on [June 1, 20__] and each June 1 thereafter to and including, [June 1, 20__], in accordance with the terms of the following mandatory sinking fund redemption schedule:

<u>Mandatory Sinking Fund</u> <u>Payment Date (June 1)</u>	<u>Mandatory Sinking Fund Payment Amount</u>
---	--

7. Notice of Redemption. At least 20 days before each date of redemption, the City will give notice to each owner of a Series 2013 Bond to be redeemed at the owner's registered address. Failure to give any required notice of redemption will not affect the validity of the call for redemption of any Series 2013 Bond in respect of which no failure occurs. Any notice sent as provided in the Twenty-Seventh Supplemental Resolution will be conclusively presumed to have been given whether or not actually received by the addressee. Any redemption notice, other than notice of redemption from mandatory sinking fund payments, may be rescinded by written notice given by the City no later than one (1) Business Day prior to the date specified for redemption. The City shall give notice of such rescission in the same manner, and to the same persons, as notice of such redemption was given.

8. Effect of Notice of Redemption. When notice of redemption is given, Series 2013 Bonds called for redemption become due and payable on the redemption date at the applicable redemption price; in such case, when funds are held in trust for payment of the redemption price and such amounts are sufficient to pay the redemption price, interest on the Series 2013 Bonds to be redeemed will cease to accrue from and after the redemption date. Any notice given pursuant to Section 7, other than notice of redemption from mandatory sinking fund payments pursuant to

Section 6, may be rescinded by written notice given by the City no later than one (1) Business Days prior to the date specified for redemption. The City shall give notice of such rescission in the same manner, and to the same persons, as notice of such redemption was given pursuant to Section 7.

9. Denominations; Transfer; Exchange. The Series 2013 Bonds are available in denominations of \$5,000 and integral multiples of \$5,000. A holder may transfer or exchange Series 2013 Bonds in accordance with the General Resolution and the Twenty-Seventh Supplemental Resolution. The City may require a holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any required taxes and fees associated therewith. The City need not transfer or exchange any Series 2013 Bond for the period beginning 15 days before mailing a notice of redemption of such Series 2013 Bond and ending on the date the notice of redemption is mailed nor transfer or exchange any Series 2013 Bond which has been selected for redemption.

10. Persons Deemed Owners. The registered owner of this Bond shall be treated as the owner of it for all purposes.

11. Discharge Before Redemption or Maturity. If the City at any time irrevocably sets aside money or Government Obligations as described in the General Resolution sufficient, together with the earnings thereon, to pay at redemption or maturity, the principal of, premium, if any, and interest on the outstanding Bonds, and if the City also pays all other sums then payable by the City under the General Resolution, the General Resolution will be discharged. After discharge Bondholders must look only to the money and securities set aside for payment. If the City at any time irrevocably sets aside money or Government Obligations as described in the General Resolution sufficient to pay at redemption or maturity principal of, premium, if any, and interest on all or any portion of the outstanding Series 2013 Bonds, such Bonds, with respect to which the money or securities were set aside, shall no longer be deemed to be outstanding and shall no longer be secured by the General Resolution except to the extent of the moneys and securities set aside therefor.

12. Amendment; Supplement; Waiver. The General Resolution, the Twenty-Seventh Supplemental Resolution and the Series 2013 Bonds may be amended or supplemented, and any past default or compliance with any provision may be waived, as provided in the General Resolution. Any consent given by the owner of this Bond to any such action shall be irrevocable and shall bind any subsequent owner of this Bond or any Bond delivered in substitution for this Bond.

13. Defaults and Remedies. The General Resolution provides that the occurrences of certain events constitute Events of Default. If an Event of Default occurs and is continuing, the Principal of this Bond may be declared to be due and payable immediately on the terms set forth in the General Resolution. Any such acceleration may be waived as provided in the General Resolution. Bondholders may not enforce the General Resolution or the Bonds except as provided in the General Resolution, and, if credit enhancement has been provided for all or a portion of the Bonds issued under the General Resolution, the provider or providers of such credit enhancement may be able to direct the exercise of remedies.

14. Authentication. This Bond shall not be valid until the Treasurer [or insert other Authenticating Agent], as Authenticating Agent, signs the certificate of authentication on the first page of this Bond.

15. Abbreviations. Customary abbreviations may be used in the name of a Bondholder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and UGMA (= Uniform Gifts to Minors Act).

[The form of assignment on the Series 2013 Bonds shall be substantially as follows:]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or type, write Name and Address, including Zip Code,
and Federal Taxpayer Identification or Social Security Number of Assignee)

this Bond and all rights hereunder, and hereby irrevocably constitutes and appoints

Agent to transfer this Bond on the books of the City, with full power of substitution in the premises.

Dated: _____

Signed by:

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of this Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed by:

NOTICE: Signature must be guaranteed by a member firm of the New York Stock exchange or a commercial bank or trust company.

ARTICLE IV

REDEMPTION

Section 4.01. Notices to Bondholders. Prior to the redemption of any Series 2013 Bonds, the City shall give notice to the holders of the Series 2013 Bonds to be redeemed as provided in Section 4.03 of the General Resolution. Such notice shall be given by mail, at least 20 days and not more than 60 days before the redemption date, and shall be given to each owner of a Series 2013 Bond to be redeemed. Each such notice shall be sent to the Beneficial Owner's registered address.

In addition to the notice required by Section 4.03 of the General Resolution, if, at any time, the Series 2013 Bonds are no longer Book-Entry Bonds, then, upon any redemption, further notice shall be given by the City as set out below, but no defect in any such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption given hereunder shall contain the information required by Section 4.03 of the General Resolution plus (i) the CUSIP numbers of all Series 2013 Bonds, or portions thereof being redeemed; (ii) the date of original issuance of the Series 2013 Bonds; (iii) the rate of interest borne by the Series 2013 Bonds being redeemed; (iv) the maturity date of the Series 2013 Bonds being redeemed, (v) the redemption price or, if applicable, a description of the mechanism or method for determining the redemption price; and (vi) any other descriptive information to identify accurately the Series 2013 Bonds or portions thereof being redeemed.

Each further notice of redemption shall be sent at least 20 days before the redemption date by telecopy, registered or certified mail or overnight delivery service to:

The Depository Trust Company
55 Water Street
New York, NY 10041

and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System at <http://emma.msrb.org/>.

Any notice given pursuant to this Section 4.01, other than notice of redemption from mandatory sinking fund payments pursuant to Section 4.03, may be rescinded by written notice given by the City no later than one (1) Business Day prior to the date specified for redemption. The City shall give notice of such rescission in the same manner, and to the same persons, as notice of such redemption was given pursuant to this Section.

Section 4.02. Optional Redemption of the Series 2013 Bonds. The Series 2013 Bonds of any Series may be subject to optional redemption as set forth in the Attachment 1 related to such Series. The Series 2013 Bonds of any Series shall be subject to optional redemption not later than the tenth year following the date of issuance of such Series 2013 Bonds.

Section 4.03. Mandatory Sinking Fund Redemption of the Series 2013 Bonds. The Series 2013 Bonds of any Series shall be subject to mandatory sinking fund redemption as set forth in the Attachment 1 related to such Series.

On or before the forty-fifth day prior to any mandatory sinking fund redemption date, the City shall proceed to select for redemption (by lot in such manner as the City may determine), from all Series 2013 Bonds subject to such redemption, an aggregate principal amount of such Bonds equal to the amount for such year as set forth in the table in the Attachment 1 hereto related to such Series and shall call such Bonds or portions thereof in Authorized Denominations for redemption and shall give notice of such call. At the option of the City, the City may credit against any mandatory sinking fund redemption requirement, the Series 2013 Bonds, or portions thereof in Authorized Denominations of the stated maturity subject to such redemption which, prior to said date, have been purchased by the City or redeemed (otherwise than under the provisions of this Section 4.03) and canceled and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2013 Bond or portion thereof so purchased or previously redeemed shall be credited by the City at one hundred percent (100%) of the principal amount thereof against the obligation of the City on such mandatory sinking fund redemption date.

Section 4.04. [Reserved].

Section 4.05. [Reserved].

Section 4.06. Payment of Series 2013 Bonds Called for Redemption. Upon surrender to the Treasurer, Series 2013 Bonds called for redemption shall be paid at the redemption price, including accrued and unpaid interest, if any, to the redemption date, provided that, with respect to Book-Entry Bonds, the City may make other arrangements for payment as provided in the Representation Letter.

Section 4.07. Selection of Series 2013 Bonds for Redemption; Series 2013 Bonds Redeemed in Part. Series 2013 Bonds which are subject to optional redemption will be selected among such maturities as the City may designate, or, absent such designation, shall be redeemed pro rata among maturities or as set forth in the Attachment 1 related to such Series. Series 2013 Bonds may be redeemed by lot within any one maturity, in a manner the City shall deem appropriate.

Upon surrender of a Series 2013 Bond to be redeemed, the Authorized City Representative acting as Authenticating Agent or other Authenticating Agent, if one has been appointed, will authenticate for the holder a new Series 2013 Bond or Bonds of the same Series and maturity equal in principal amount to the unredeemed portion of the Series 2013 Bond or Bonds surrendered.

ARTICLE V

APPLICATION OF PROCEEDS

Section 5.01. Application of Proceeds. The proceeds of the sale of any Series of Series 2013 Bonds received by the City shall be applied by the City for the following purposes and in such amounts and in such manner as set forth in the Attachment 1 relating to such Series:

(i) the amount needed to pay Costs of Issuance associated with the issuance of such Series of Series 2013 Bonds shall be transferred to the Escrow Agent to be disbursed to pay the Costs of Issuance;

(ii) the amount needed to defease or refund any Refunded Obligations shall be transferred to the Escrow Agent(s) and held under the terms of the Escrow Agreement(s) or, if so provided in the related Attachment 1, in the case of the Commercial Paper Notes, transferred to the Issuing and Paying Agent for the Commercial Paper Notes and deposited into the CP Debt Service Fund and held under the terms of the Subordinate General Resolution;

(iii) the amount of such proceeds designated to finance improvements to the System shall be deposited in the 2013 Construction Fund of the related Series;

(iv) the amount needed to cause the Reserve Fund to be funded at the Reserve Fund Requirement as a result of the issuance of such Series of Series 2013 Bonds shall be deposited in the Reserve Fund; and

(v) any accrued interest or other amounts specified in the related Attachment 1 shall be deposited into the Debt Service Fund for the Series 2013 Bonds.

Any amounts may be held temporarily by the Escrow Agent for the purposes set forth in the General Resolution.

Notwithstanding the foregoing provisions of this Article V, the amount to be "transferred" to the Escrow Agent(s) may be paid directly by the Underwriters to such Escrow Agent(s) and, in such event, shall be deemed to have been received by the City and transferred to such Escrow Agent(s).

If, upon the issuance of the Series 2013 Bonds of any Series, amounts held in the Reserve Fund shall exceed the Reserve Fund Requirement, or amounts held in any other fund or account related to any Refunded Obligation are no longer needed for payment of such Refunded Obligation, any or all of such excess shall be transferred for application for the purpose of refunding the Refunded Obligations or for such other purpose consistent with the Tax Certificate, as set forth in Attachment 1 related to such Series.

ARTICLE VI

FUNDS

Section 6.01. Construction Fund. The City will, by ordinance, create a separate fund within the City Treasury, designated as the Wastewater System Revenue Bonds Construction Fund, Series 2013 to pay Project Costs (the “2013 Construction Fund”), and the City shall, on the date of issuance of the Series 2013 Bonds, deposit proceeds of the Series 2013 Bonds into the 2013 Construction Fund as set forth in Section 5.01(c) above. Amounts in the 2013 Construction Fund shall be used to pay Project Costs related to the System in accordance with the City’s wastewater system improvement program or to reimburse the City for amounts expended from other sources for such purposes; provided, that amounts in a 2013 Construction Fund shall not be used for systems, plants, works or undertakings for the distribution of electric energy for lighting, heating and power for public or private uses or the generation, production, transmission and distribution of gas for public or private uses. These restrictions, placed upon the use of amounts in the 2013 Construction Fund shall not apply to systems, plants, works or undertakings which result in conversion of solid waste to energy and reusable materials.

The City may use amounts in the 2013 Construction Fund to pay Project Costs either by payment directly from the 2013 Construction Fund or by payment to the General Wastewater System Revenue Bonds Construction Fund for use for the same purposes. A separate account within the 2013 Construction Fund may be established for any Series of Series 2013 Bonds if provided in Attachment 1 related to such Series.

Section 6.02. Debt Service Fund. The City will, by ordinance, create a separate fund for each Series of the Series 2013 Bonds within the City Treasury designated as the “Wastewater System Revenue Bonds Debt Service Fund, Series 2013-[insert Series designation]” (collectively, the “2013 Debt Service Fund), which shall each be a Debt Service Fund as provided in the General Resolution for the respective Series of Series 2013 Bonds. Amounts in the 2013 Debt Service Fund shall be used to pay principal of, and interest and any premium on, the applicable Series of Series 2013 Bonds as the same become due and payable.

Section 6.03. Costs of Issuance Account. There is hereby authorized to be created under the Escrow Agreement, a Costs of Issuance Account. Amounts in the Costs of Issuance Account shall be used to pay Costs of Issuance. Any monies remaining in the Cost of Issuance Account after payment of all Costs of Issuance shall be transferred to the 2013 Debt Service Fund.

ARTICLE VII

TAX COVENANTS

Section 7.01. Rebate Fund. The City hereby agrees that it will deliver and abide by the Tax Certificate of any Series and that it will by ordinance create a “Wastewater System Revenue Bonds Rebate Fund” for each Series of the Series 2013 Bonds (collectively, the “2013 Rebate Fund”), which funds will be held by the City and will be funded, if so required, under the Tax Certificate of any Series, and amounts in such 2013 Rebate Fund shall be held and disbursed in accordance with the ordinance creating such funds and with the Tax Certificate of any Series.

Section 7.02. Tax Compliance.

(a) The City shall comply with those covenants and agreements set forth in the Tax Certificate of any Series and the City Administrative Officer is authorized and directed to execute such Tax Certificate.

(b) The City shall not use or permit the use of any proceeds of Series 2013 Bonds or any other funds of the City held under this Twenty-Seventh Supplemental Resolution or the General Resolution, or in the General Wastewater System Construction Fund, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the City, and shall not take or permit to be taken any other action or actions, which would cause any Series 2013 Bond which is Tax-Exempt to be “federally guaranteed” within the meaning of Section 149(b) of the Code or an “arbitrage bond” within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder.

Section 7.03. [Reserved].

Section 7.04. Additional Actions. The City shall at all times do and perform all acts and things permitted by law, the General Resolution and this Twenty-Seventh Supplemental Resolution which are necessary or desirable in order to assure that interest paid on the Series 2013 Bonds will be excluded from gross income of the recipient thereof for federal income tax purposes and shall take no action that would result in such interest being included in gross income for federal income tax purposes.

ARTICLE VIII

[RESERVED]

ARTICLE IX

AGENTS

Section 9.01. Appointment of Agents. The City Administrative Officer is authorized to appoint one or more banks, trust companies or financial institutions meeting the City’s capitalization requirements as Escrow Agent for the purpose of accepting, holding, investing and applying funds to be used to refund or refund the Refunded Obligations and to pay the Costs of Issuance related to any Series of Series 2013 Bonds. The City may from time to time appoint a bank, trust company or other financial institution to serve as Paying Agent, Registrar or Authenticating Agent in place of or in addition to the City with respect to any Series of Series 2013 Bonds.

Section 9.02. Resignation; Removal. Any entity at any time serving as Paying Agent, Authenticating Agent and/or Registrar may resign any one or more of such positions in accordance with the terms of its agreement with the City or may be removed by the City in accordance with the terms of such agreement. The Escrow Agent may resign or be removed as provided in the Escrow Agreement.

Section 9.03. Replacement. If the Paying Agent, Authenticating Agent or Registrar resigns or is removed, the City may appoint a new Paying Agent, Authenticating Agent or Registrar or may provide that such functions as were provided by the Paying Agent, Authenticating Agent and/or Registrar be undertaken directly by the City. A successor Escrow Agent can be appointed by the City only as provided in the Escrow Agreement.

ARTICLE X

MISCELLANEOUS APPROVALS AND AUTHORIZATIONS

Section 10.01. Findings Related to Negotiated Sale of the Series 2013 Bonds and Selection of Professionals. Pursuant to Section 371(e)(10) of the Charter, the Council hereby finds that due to current market conditions, the use of sealed competitive bidding to sell the Series 2013 Bonds would be undesirable and impractical and it is in the best financial interests of the City to sell the Series 2013 Bonds through a negotiated sale with the Underwriters. Pursuant to Section 371(e)(2) of the Charter, the Council hereby finds that due to the technical expertise required for the performance of the professional and technical services necessary for the sale and issuance of the Series 2013 Bonds, which services are of a temporary and occasional character, the use of sealed competitive bidding for the selection of Bond Counsel, Disclosure Counsel, Escrow Agent or financial advisors is not practicable or advantageous to the City.

Section 10.02. Approval of Escrow Agreements. The City Administrative Officer is hereby authorized to execute and enter into one or more Escrow Agreements with the Escrow Agent in form and substance acceptable to Bond Counsel and the City Attorney with respect to any Series of Series 2013 Bonds, with such changes as such City Administrative Officer, upon the advice of counsel, deems necessary and appropriate. The signature of the City Administrative Officer shall be sufficient to bind the City and cause the Escrow Agreement(s) to be a valid and binding obligation of the City.

Section 10.03. Approval of Bond Purchase Agreement. The Bond Purchase Agreement in substantially the form before this Council is hereby approved. The City Administrative Officer is hereby authorized to execute and enter into a Bond Purchase Agreement with one or more of the Underwriters with respect to each Series of Series 2013 Bonds, with such changes as said City Administrative Officer, upon the advice of counsel, deems necessary and appropriate. The signature of any City Administrative Officer shall be sufficient to bind the City and cause the Bond Purchase Agreement to be a valid and binding obligation of the City. The Underwriters' discount under the Bond Purchase Agreement shall not exceed 0.50% of the aggregate principal amount of the Series 2013 Bonds.

Section 10.04. Reserved.

Section 10.05. Official Statement. The form of the preliminary Official Statement relating to the Series 2013 Bonds (the "Preliminary Official Statement") submitted to this meeting with such changes as may be approved by the City Administrative Officer is hereby approved for use in connection with the public offering of the Series 2013 Bonds. Upon approval of such additions and changes, whether material or otherwise, by the City Administrative Officer, the Preliminary Official Statement for the Series 2013 Bonds shall be

deemed final as of its date, as evidenced by a certificate to such effect, except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended. The City Administrative Officer, for and on behalf of the City, is hereby authorized to execute a final official statement for the Series 2013 Bonds (the "Official Statement"), with such additions and changes therein, whether material or otherwise, as he or she may require or approve, such approval to be conclusively evidenced by execution and delivery thereof. The distribution of the Official Statement in connection with the public offering of the Series 2013 Bonds is hereby approved.

Section 10.06. Execution of Documents; Additional Actions. The City Administrative Officer is hereby authorized to purchase or subscribe from time to time for the government obligations to be deposited in escrow in connection with the refundings contemplated by this Twenty-Seventh Supplemental Resolution, to authorize the Escrow Agent(s) to so subscribe, to enter into cash flow agreements, debt service agreements, forward supply contracts and other similar contractual obligations necessary or appropriate to effectuate the transactions contemplated by this Twenty-Seventh Supplemental Resolution, to execute any documents necessary to procure municipal bond insurance (if the City Administrative Officer, upon the advice of the City's financial advisor, determines that such municipal bond insurance is cost effective) and to execute such certificates (including the Tax Certificate), agreements, forms and other closing documents, including those relating to the tax-exempt status of the Series 2013 Bonds and those relating to the securities depository, and such other instruments as are necessary or appropriate to consummate the transactions contemplated by this Twenty-Seventh Supplemental Resolution and to carry out the intent hereof. The City Administrative Officer is authorized and directed to do any and all things and to take any and all further actions to carry out the intent hereof. If the City procures municipal bond insurance for any Series of Series 2013 Bonds, any terms and conditions of such insurance may be included in the Attachment 1 for the related Series, and such terms and conditions shall become a part of this Twenty-Seventh Supplemental Resolution upon execution of such Attachment 1 by the City Administrative Officer.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Twenty-Seventh Supplemental Resolution or the Series 2013 Bonds shall be in writing except as expressly provided otherwise in this Twenty-Seventh Supplemental Resolution or the Series 2013 Bonds.

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

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

(d) The City shall give written notice to Moody's, S&P and Fitch if at any time (i) payment of principal and interest on the Series 2013 Bonds is accelerated pursuant to the provisions of Section 9.02(a) of the General Resolution or (ii) there is any amendment to the General Resolution or this Twenty-Seventh Supplemental Resolution. Notice, in the case of an event referred to in clause (ii) hereof, shall include a copy of any such amendment. Notices sent to Moody's shall be addressed to Moody's Investors Service, 7 World Financial Center, New York, New York 10007; notices sent to S&P shall be addressed to Standard & Poor's, 55 Water Street, New York, New York 10041; and notices sent to Fitch shall be addressed to Fitch at Fitch, Inc., One State Street Plaza, New York, New York 10004, or to such other address as Moody's, S&P or Fitch, respectively, shall supply to the City.

Section 11.02. Limitation of Rights. Nothing expressed or implied in this Twenty-Seventh Supplemental Resolution or the Series 2013 Bonds shall give any person other than the City and the Bondholders any right, remedy or claim under or with respect to this Twenty-Seventh Supplemental Resolution.

Section 11.03. Supplemental Resolution a Contract. This Twenty-Seventh Supplemental Resolution (excluding Article X hereof), together with the General Resolution, is adopted by the City for the benefit of the Bondholders and together they constitute a contract with the Bondholders.

Section 11.04. Severability. If any provision of this Twenty-Seventh Supplemental Resolution shall be determined to be unenforceable, that shall not affect any other provision of this Twenty-Seventh Supplemental Resolution.

Section 11.05. Reports to Bondholders. Under the terms of the General Resolution, the City makes adequate provision for furnishing of financial information to the Bondholders and hereby elects that the provisions of Section 54522 of the Revenue Bond Law relating to a summary statement shall not apply to the Series 2013 Bonds.

Section 11.06. Payments due on Non-Business Days. If a payment date is not a Business Day, then payment may be made on the next Business Day, and no interest shall accrue for the intervening period.

Section 11.07. Governing Law. This Twenty-Seventh Supplemental Resolution shall be governed by and construed in accordance with the laws of the State.

Section 11.08. Captions. The captions in this Twenty-Seventh Supplemental Resolution are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Twenty-Seventh Supplemental Resolution.

Section 11.09. Continuing Disclosure. The City agrees that the City shall enter into a Continuing Disclosure Certificate in order to undertake the continuing disclosure obligations promulgated under Rule 15c2-12, as the same may be amended from time to time. The City hereby covenants and agrees that they will comply with and carry out all of their respective

obligations under any such Continuing Disclosure Certificate for the Series 2013 Bonds. Notwithstanding any other provision of the General Resolution or this Twenty-Seventh Supplemental Resolution, failure of the City to comply with any such Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Beneficial Owner of the applicable Series 2013 Bonds covered by such Continuing Disclosure Certificate may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City, as the case may be, to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any applicable Series 2013 Bonds covered by such Continuing Disclosure Certificate (including persons holding such applicable Series 2013 Bonds covered by such Continuing Disclosure Certificate through nominees, depositories or other intermediaries).

Section 11.10. Municipal Bond Insurance. If the City obtains a policy of municipal bond insurance with respect to any Series of Series 2013 Bonds, the Attachment 1 for such Series may contain such provisions relating to the payment of the bonds so insured and to the rights of the bond insurer as required by the bond insurer and approved by the City Administrative Office, as conclusively evidenced by the execution of such Attachment 1.

Section 11.11. Ratification of Prior Actions. All actions heretofore taken by any officers, employees, agents or directors of the City, with respect to the issuance, delivery or sale of the Series 2013 Bonds, or in connection with or related to any of the agreements or documents referenced herein or to the refunding of the Refunded Obligations are hereby approved, confirmed and ratified.

Section 11.12. Effective Date. This Twenty-Seventh Supplemental Resolution shall take effect from and upon its adoption.

PASSED AND ADOPTED this TH day of May 2013, by the following vote:

CERTIFY THAT THE FOREGOING
RESOLUTION WAS ADOPTED BY THE
COUNCIL OF THE CITY OF LOS ANGELES
AT ITS MEETING OF MAY 07 2013
BY A MAJORITY OF ALL ITS MEMBERS.



JUNE LAGMAY
CITY CLERK

BY [Signature]
DEPUTY