

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: April 5, 2022

CAO File No. 0220-05291-1168

Council File No.

Council District: ALL

To: The Mayor  
The City Council

From: Matthew W. Szabo, City Administrative Officer



Subject: **EXTENSION OF LETTER OF CREDIT FACILITIES SUPPORTING THE MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES LEASE REVENUE COMMERCIAL PAPER NOTE PROGRAM, AND RELATED AMENDMENTS, AND REPLACEMENT OF LETTER OF CREDIT FACILITY SUPPORTING THE MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES LEASE REVENUE COMMERCIAL PAPER NOTE PROGRAM (LOS ANGELES CONVENTION CENTER)**

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### RECOMMENDATIONS

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

1. ADOPT the Authorizing Resolution (Attachment A), which authorizes and approves the negotiation and execution of certain legal documents in connection with the extension of the letter of credit facilities supporting the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Note Program and other documents and actions in connection therewith;
2. ADOPT the Authorizing Resolution (Attachment B), which authorizes and approves the negotiation and execution of certain legal documents in connection with the replacement of the letter of credit facility supporting the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Note Program (Los Angeles Convention Center) and other documents and actions in connection therewith;
3. ADOPT a Lease/Leaseback Ordinance, prepared by the City Attorney, to approve the lease and sublease between the City and the Municipal Improvement Corporation of Los Angeles of certain real property in connection with the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Note Program; and
4. AUTHORIZE the City Administrative Officer to make technical corrections and adjustments as necessary to those transactions included in this report to implement the Mayor and City Council intentions.

**SUMMARY**

The City Administrative Officer (CAO) requests authority to enter into and execute documents in connection with (a) the extension irrevocable direct-pay letter of credit (LOCs) facilities supporting the Municipal Improvement Corporation of Los Angeles (MICLA) Lease Revenue Commercial Paper (CP) Notes Program (General CP Program) and (b) the replacement of the LOC facility supporting the MICLA Lease Revenue CP Notes Program (Los Angeles Convention Center) (LACC CP Program). The General CP Program and the LACC CP Program are collectively referred to as the CP Programs. This Office recommends extending the General CP Program’s LOCs with Bank of America, N.A., (BANA), BMO Harris Bank, N.A (BMO), and U.S. Bank National Association (US Bank), and replacing the LACC CP Program’s existing LOC with US Bank for three-year terms at the 0.28 percent to 0.29 percent (see the fees reflected in the table below). The current LOCs for the CP Programs expire on June 30, 2022.

| <b>Program</b>                      | <b>General CP Program</b> |               |               | <b>LACC CP Program</b>            |
|-------------------------------------|---------------------------|---------------|---------------|-----------------------------------|
| <b>Bank Name</b>                    | BANA                      | BMO           | US Bank       | State Street/US Bank <sup>1</sup> |
| <b>LOC Principal Amount</b>         | \$100 million             | \$150 million | \$175 million | \$100 million                     |
| <b>Current Fee (Per Annum)</b>      | 0.32 percent              | 0.28 percent  | 0.32 percent  | 0.34 percent                      |
| <b>Proposed New Fee (Per Annum)</b> | 0.29 percent              | 0.29 percent  | 0.29 percent  | 0.28 percent                      |
| <b>Term</b>                         | 3-years (June 30, 2025)   |               |               |                                   |

<sup>1</sup> State Street Bank and Trust Company, the current LACC CP Program LOC provider, would be replaced by US Bank.

In December 2021, the CAO engaged the CP Programs’ municipal advisors (MAs) to discuss the strategy to either extend or replace the LOCs currently supporting the CP Programs. The MAs, at the direction of this Office, reached out to the current LOC providers to gauge their interest in renewing their respective LOCs. State Street Bank and Trust Company (State Street), the current LACC CP Program’s LOC provider, reported that they did not desire to extend their LOC beyond June 30, 2022. The three General CP Program LOC providers expressed interest in extending their LOCs at substantially the same legal terms and provisions as the current LOCs and at favorable rates to the City. US Bank also proposed to provide a replacement LOC for the LACC CP Program at a fee of 0.28 percent, through June 30, 2025, with similar legal terms and provisions as it provides for its current General CP Program LOC.

This Office, upon consulting with the MAs, finds that the rates and terms proposed by the current LOC providers are likely more favorable than what the City could get through a competitive process. The CAO further finds, pursuant to Section 371(e)(10) of the City Charter, that it would be impractical, more costly, and undesirable to undergo a request for proposals (RFP) process as such competitive process, based on current market conditions, would likely not yield lower rates to the City than what the current LOC providers have offered. The MAs indicated that, based on their market research, other issuers of similar credit quality as the City, received similar or higher rates from banks than those proposed by the current LOC providers. Moreover, given recent and ongoing volatility in the financial markets, related to the pandemic and other major world events, there is some risk that the additional time required to conduct a full RFP process would result in higher

fees. Lastly, an RFP procurement process would be lengthier and carry with it higher execution costs, including legal and municipal advisor fees, as new sets of documents would need to be negotiated. As such, this Office believes that it is in the best financial interest of the City to enter into these extensions with the current LOC providers for the General CP Program, and to replace the existing State Street LOC with a US Bank LOC for the LACC CP Program.

In addition, this Office recommends extending and amending the sublease for the General CP Program to allow the General CP Program to continue at full program capacity. The amended sublease provide for the release of certain real properties from the General CP Program leases as a result of increased property values since 2019.

To proceed with the negotiation and execution of certain documents in connection with the extension of the sublease, and related amendments, and extension of the LOCs for the General CP Program, and in connection with the replacement of the LOC for the LACC CP Program, the Mayor and City Council will need to adopt the Authorizing Resolutions (Attachments A and B), which incorporate various agreements and documents. The City Attorney will submit an ordinance under separate cover to approve the lease/leaseback of City property with MICLA for the General CP Program in connection with the extension of the related sublease.

The MICLA Board of Directors are scheduled to consider and approve this matter in late-April 2022. This financing is expected to close prior to the expiration of the current LOCs on June 30, 2022.

### **FISCAL IMPACT STATEMENT**

There is no additional impact to the General Fund from the approval of the proposed recommendations. The 2021-22 Adopted Budget includes sufficient appropriations within the Capital Finance Administration Fund for costs associated with supporting the current CP Programs, including, but not limited to, letter of credit fees, interest costs, remarketing agent fees, and rating agency fees. Annual budget appropriations for the CP Programs are subject to Mayor and City Council approval.

### **FINANCIAL POLICIES STATEMENT**

The recommendations in this report comply with the City's Financial Policies in that all ongoing fees related to the CP Programs are paid with ongoing revenues.

### **DEBT IMPACT STATEMENT**

In accordance with the City's Financial Policies, Debt Management Section, the maximum debt service payable in any given year may not exceed six percent of General Fund Revenues for non-voter approved debt. The proposed changes in the CP Programs will not cause debt service to exceed this limit as commercial paper is short-term debt and interest costs are included in the 2021-22 Adopted Budget, Capital Finance Administration Fund.

## **FINDINGS**

### **1. Background – Municipal Improvement Corporation of Los Angeles**

The Municipal Improvement Corporation of Los Angeles (MICLA) is a non-profit financing corporation established by the City in 1984 to assist in the financing of capital projects and capital equipment. MICLA is directed by a five-person board whose members are self-appointed and confirmed by the City Council. MICLA serves as the lessor in lease revenue transactions involving the City for the acquisition of capital equipment and the acquisition, construction, and capital improvements of real property. All MICLA financings require the approval of the MICLA Board of Directors.

### **2. Background – MICLA Commercial Paper Program**

The General CP Program allows the City to access the financial markets quickly, to obtain flexible, short-term maturities, to borrow only those amounts needed as invoices are received, and to borrow at more favorable rates, thus reducing the cost of borrowing to the City. The General CP Program is useful for phased financing of construction projects or for uneven and uncertain capital equipment ordering, receipt, and payment. Moreover, there is no construction risk associated with the issuance of CP, thus resulting in a stronger credit and lower interest rates.

CP is a short-term borrowing mechanism with maturities ranging from one to 270 days. Upon maturity, the CP notes are either re-sold in the market or refinanced into long-term bonds. Permanent longer-term financing, typically fixed-rate bonds, occur when projects are completed, when capital equipment has been received, or when the amount of outstanding notes approaches the maximum limit, which totals \$425 million. The permanent financing restores the borrowing capacity available under the General CP Program for additional capital equipment and real property projects. As of April 1, 2022, there were \$174.9 million of CP notes outstanding under the General CP Program.

### **4. Background - MICLA Commercial Paper Program (Los Angeles Convention Center)**

The LACC CP Program was established on November 19, 2015 to provide financing for capital improvements at the Los Angeles Convention Center (LACC). The LACC CP Program is generally used to finance projects such as roof replacements, floor remediation, lighting replacements, and elevator and escalator upgrades in annual aggregate amounts ranging from \$1.5 million to \$9.5 million. As of April 1, 2022, there were \$20.7 million of CP notes outstanding under the LACC CP Program.

### **5. MICLA Commercial Paper Team**

The MICLA CP team, consisting of CP dealers, issuing and paying agent, trustee, and LOC providers, maintains and provides access to the financial markets and enhances the marketability of the CP notes. CP dealers sell and resell the notes. The current CP Dealers, which remain unchanged through the term of the LOCs, are BofA Securities, U.S. Bancorp, and Ramirez & Co. (Minority Business Entity), for the General CP Program, and JP Morgan Securities and Morgan

Stanley for the LACC CP Program. The issuing and paying agent and trustee, which also remain unchanged through the term of the LOCs, facilitate the necessary transactions for CP issuance and payments as instructed by the City and MICLA. LOC banks provide liquidity to the CP Programs. The LOCs are direct pay, which means that the banks pay the interest and principal due using the LOC and the City reimburses the banks by the close of business day. The MICLA CP team, following the approval of the recommendations in this report, would be as follows:

| CP Program | Letter of Credit Bank | LOC Amount    | CP Dealer                   | Issuing and Paying Agent/Trustee |
|------------|-----------------------|---------------|-----------------------------|----------------------------------|
| General    | BANA                  | \$100,000,000 | BANA<br>Ramirez<br>US Bank  | US Bank                          |
|            | BMO                   | \$150,000,000 |                             |                                  |
|            | US Bank               | \$175,000,000 |                             |                                  |
| LACC       | US Bank               | \$100,000,000 | JP Morgan<br>Morgan Stanley |                                  |

## 6. Financing Team

The Co-Municipal Advisors on this transaction, KNN Public Finance, LLC and Montague DeRose and Associates, LLC, have been previously approved by the Mayor and City Council to provide municipal advisory services for the City's various bond programs (C.F. 19-0355). Note counsel, Hawkins, Delafield & Wood, LLP, and special tax counsel, Nixon Peabody, LLP, have been previously approved by the Mayor and City Council to provide legal bond services for the City's various bond programs (C.F. 12-0917).

## 7. Required Documents

To proceed with this transaction, the Mayor and City Council will need to adopt the following:

- 1) A Resolution (Attachment A) related to the MICLA Lease Revenue Commercial Paper Note Program, which incorporates the following documents:
  - Exhibit A – First Amendment to the Amended and Restated Site Lease between the City and MICLA, which makes certain amendments to the existing site lease where the City leases certain real properties to MICLA;
  - Exhibit B – First Amendment to the Amended and Restated Sublease between the City and MICLA, which extends and makes certain other amendments to the existing sublease where MICLA subleases certain real properties to the City in return for sublease payments;
  - Exhibit C – First Amendment to the Fourth Amended and Restated Trust Agreement among the City, MICLA, and U.S. Bank Trust Company, National Association, as Trustee, which amends the existing trust agreement where the Trustee administers the funds in a fiduciary capacity on behalf of the bondholders;
  - Exhibit D – Offering Memorandum is the primary offering document, which discloses material information on the offering of commercial paper notes;

- Exhibit E – First Amendment to Amended and Restated Letter of Credit and Reimbursement Agreement, among the City, MICLA, and BANA, which amends the existing letter of credit and reimbursement agreement with BANA that provides for the terms and conditions of the City's obligation to reimburse BANA in connection with the letter of credit;
  - Exhibit F – First Amendment to Letter of Credit and Reimbursement Agreement, among the City, MICLA, and BMO, which amends the existing letter of credit and reimbursement agreement with BMO that provides for the terms and conditions of the City's obligation to reimburse BMO in connection with the letter of credit;
  - Exhibit G – First Amendment to Letter of Credit and Reimbursement Agreement, among the City, MICLA, and US Bank, which amends the existing letter of credit agreement with US Bank that provides for the terms and conditions of the City's obligation to reimburse US Bank in connection with the General CP Program letter of credit;
  - Exhibit H – Second Amended and Restated Fee Letter among the City, MICLA, and BANA, which provides for the fees associated with the BANA letter of credit;
  - Exhibit I – Amended and Restated Fee Letter among the City, MICLA, and BMO, which provides for the fees associated with the BMO letter of credit; and
  - Exhibit J – Amended and Restated Fee Letter among the City, MICLA, and US Bank, which provides for the fees associated with the General CP Program letter of credit.
- 2) A Resolution (Attachment B) related to the MICLA Lease Revenue Commercial Paper Note Program (Los Angeles Convention Center), which incorporates the following documents:
- Exhibit A – Letter of Credit and Reimbursement Agreement among the City, MICLA, and US Bank, which includes a form of revolving note and the US Bank letter of credit for the LACC Program, and provides for the terms and conditions of the City's obligation to reimburse US Bank in connection with the letter of credit;
  - Exhibit B – Fee Letter among the City, MICLA, and US Bank, which provides for the fees associated with the US Bank letter of credit for the LACC CP Program; and
  - Exhibit C – Offering Memorandum is the primary offering document, which discloses material information on the offering of commercial paper notes.

In addition, the Mayor and City Council will need to adopt an Ordinance to approve the lease/leaseback of certain City real property with MICLA in connection with the extension of the related sublease for the General CP Program. The City Attorney will submit the Ordinance under separate cover. There are no proposed amendments to the existing LACC CP Program's site lease or sublease, therefore, a new Ordinance is not required for that program.

*MWS:AG/DMP:09220157*

## Attachments

### Attachment A – Resolution for MICLA Lease Revenue Commercial Paper Note Program

- Exhibit A – First Amendment to the Amended and Restated Site Lease
- Exhibit B – First Amendment to the Amended and Restated Sublease
- Exhibit C – First Amendment to the Fourth Amended and Restated Trust Agreement

Exhibit D – Offering Memorandum

Exhibit E – First Amendment to Amended and Restated Letter of Credit and Reimbursement Agreement with BANA

Exhibit F – First Amendment to Letter of Credit and Reimbursement Agreement with BMO

Exhibit G – First Amendment to Letter of Credit and Reimbursement Agreement with US Bank

Exhibit H – Second Amended and Restated Fee Letter with BANA

Exhibit I – Amended and Restated Fee Letter with BMO

Exhibit J – Amended and Restated Fee Letter with US Bank

Attachment B – Resolution for MICLA Lease Revenue Commercial Paper Note Program (Los Angeles Convention Center)

Exhibit A – Letter of Credit and Reimbursement Agreement with US Bank, including form of revolving note and letter of credit

Exhibit B – Fee Letter with US Bank

Exhibit C – Offering Memorandum

**Attachment A – Resolution for MICLA Lease Revenue  
Commercial Paper Note Program**



**RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES, CALIFORNIA, APPROVING AND AUTHORIZING THE EXECUTION OF CERTAIN LEGAL DOCUMENTS IN CONNECTION WITH THE EXTENSION OF THE SUBLEASE AND THE EXTENSION OF THE STATED EXPIRATION DATES OF THE CREDIT FACILITIES FOR THE MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES LEASE REVENUE COMMERCIAL PAPER NOTE PROGRAM ESTABLISHED TO PROVIDE FOR THE ISSUANCE OF COMMERCIAL PAPER NOTES TO ACQUIRE CERTAIN EQUIPMENT AND TO ACQUIRE AND IMPROVE CERTAIN REAL PROPERTY ON BEHALF OF VARIOUS CITY DEPARTMENTS AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

**WHEREAS**, the City of Los Angeles (the “City”) previously requested that the Municipal Improvement Corporation of Los Angeles (“MICLA”) assist in acquiring certain equipment and acquiring and improving certain real property on behalf of various City departments through the issuance by MICLA of its Lease Revenue Commercial Paper Notes (the “Commercial Paper Notes”) from time to time in an aggregate principal amount not to exceed \$425,000,000 (the “Commercial Paper Note Program”) pursuant to a Fourth Amended and Restated Trust Agreement, dated as of June 1, 2019 (the “Existing Trust Agreement”), by and among MICLA, the City and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), and a Fourth Amended and Restated Issuing and Paying Agent Agreement, dated as of June 1, 2019 (the “Issuing and Paying Agent Agreement”), by and among MICLA, the City and U.S. Bank Trust Company, National Association, as successor issuing and paying agent (the “Issuing and Paying Agent”), all as previously approved by the Board of Directors of MICLA on April 17, 2019 and by this Council of the City on April 30, 2019; and

**WHEREAS**, in order to provide for the issuance by MICLA of the Commercial Paper Notes from time to time, MICLA leased certain land, including the buildings and improvements located thereon (the “Existing Property”), from the City pursuant to an Amended and Restated Site Lease, dated as of June 1, 2019 (the “Existing Site Lease”), by and between the City, as lessor and MICLA, as lessee, and leased-back the Existing Property to the City pursuant to an Amended and Restated Sublease, dated as of June 1, 2019 (the “Existing Sublease”), by and between the City, as sublessee and MICLA, as sublessor, which Existing Sublease requires the City to make certain base rental payments to MICLA and additional rental for the use and occupancy of the Existing Property and which base rental payments were assigned pursuant to an Amended and Restated Assignment Agreement, dated as of June 1, 2019 (the “Existing Assignment Agreement”), by and between MICLA and the Trustee; and

**WHEREAS**, the payment of principal and interest on \$150,000,000 aggregate principal amount of the Series A-1 Commercial Paper Notes and the Series B-1 Commercial Paper Notes is currently supported by an irrevocable direct-pay letter of credit (the “BMOHB Credit Facility”) issued by BMO Harris Bank N.A. (“BMOHB”) pursuant to the terms of a letter of credit and reimbursement agreement among MICLA, the City and BMOHB (the “Existing BMOHB Reimbursement Agreement”), and in connection therewith, MICLA and the City

entered into a fee letter with BMOHB (the “Existing BMOHB Fee Letter Agreement”) and MICLA issued a revolving note (the “BMOHB Revolving Note”) to BMOHB to evidence the indebtedness of MICLA due and owing to BMOHB under the BMOHB Reimbursement Agreement (as defined below); and

**WHEREAS**, the payment of principal and interest on \$100,000,000 aggregate principal amount of the Series A-2 Commercial Paper Notes and the Series B-2 Commercial Paper Notes is currently supported by an amended and restated irrevocable direct-pay letter of credit (as so amended and restated, the “BANA Credit Facility”) issued by Bank of America, N.A. (“BANA”) pursuant to the terms of an amended and restated letter of credit and reimbursement agreement among MICLA, the City and BANA (as so amended and restated, the “Existing BANA Reimbursement Agreement”), and in connection therewith, MICLA and the City entered into an amended and restated fee letter with BANA (as so amended and restated, the “Existing BANA Fee Letter Agreement”) and MICLA issued an amended and restated revolving note (as so amended and restated, the “BANA Revolving Note”) to BANA to evidence the indebtedness of MICLA due and owing to BANA under the BANA Reimbursement Agreement (as defined below); and

**WHEREAS**, the payment of principal and interest on \$175,000,000 aggregate principal amount of the Series A-3 Commercial Paper Notes and the Series B-3 Commercial Paper Notes is currently supported by an irrevocable direct-pay letter of credit (the “USB Credit Facility” and together with the BMOHB Credit Facility and the BANA Credit Facility, the “Credit Facilities”) issued by U.S. Bank National Association (“USB” and together with BMOHB and BANA, the “Banks”) pursuant to the terms of a letter of credit and reimbursement agreement among MICLA, the City and USB (the “Existing USB Reimbursement Agreement”), and in connection therewith, MICLA and the City entered into a fee letter with USB (the “Existing USB Fee Letter Agreement”) and MICLA issued a revolving note (the “USB Revolving Note” and together with the BMOHB Revolving Note and the BANA Revolving Note, the “Revolving Notes”) to USB to evidence the indebtedness of MICLA due and owing to USB under the USB Reimbursement Agreement (as defined below); and

**WHEREAS**, MICLA and the City desire to amend the Existing Site Lease, the Existing Sublease and the Existing Assignment Agreement to remove certain land, including the buildings and improvements located thereon, located in the City of Los Angeles, County of Los Angeles, California, identified as Site Fifteen (Old Venice City Hall) and Site Seventeen (Parking Lot), that is an Existing Property under the Existing Site Lease, the Existing Sublease and the Existing Assignment Agreement, pursuant to a first amendment to amended and restated site lease (the “First Amendment to Site Lease”), by and between the City, as lessor and MICLA, as lessee, a first amendment to amended and restated sublease (the “First Amendment to Sublease”), by and between the City, as sublessee and MICLA, as sublessor and a first amendment to amended and restated assignment agreement (the “First Amendment to Assignment Agreement”), by and between MICLA and the Trustee, on behalf of the Owners of the Commercial Paper Notes and the Banks, and to amend the Existing Sublease to provide for a new term of the Existing Sublease not to exceed 30 years, with an extension period up to 10 years thereafter and to replace the Base Rental Payment schedules attached as Exhibit B to the Existing Sublease, which schedules shall include an interest component that reflects the interest expected to accrue on the Commercial Paper Notes, and upon such amendment, MICLA intends to continue to lease the

land, including the buildings and improvements located thereon, described on Exhibit A attached hereto (the “Property”) from the City pursuant to the Existing Site Lease, as amended by the First Amendment to Site Lease (as so amended, the “Site Lease”), and lease-back the Property to the City pursuant to the Existing Sublease, as amended by the First Amendment to Sublease (as so amended, the “Sublease”), which Sublease will continue to require the City to make certain base rental payments to MICLA and additional rental for the use and occupancy of the Property, which base rental payments have been assigned to the Trustee pursuant to the Existing Assignment Agreement, as amended by the First Amendment to Assignment Agreement (as so amended, the “Assignment Agreement”), and the land, including the buildings and improvements located thereon, described on Exhibit A attached hereto, will be covered by a valid lease ordinance; and

**WHEREAS**, MICLA and the City desire to amend or supplement the Existing Trust Agreement as necessary to reflect the amendments contained in the First Amendment to Sublease pursuant to a first amendment to fourth amended and restated trust agreement (the “First Amendment to Trust Agreement”), by and among the City, MICLA and the Trustee; and

**WHEREAS**, MICLA and the City have requested BMOHB to extend the stated expiration date of the BMOHB Credit Facility and in connection therewith, MICLA, the City and BMOHB will enter into a first amendment to letter of credit and reimbursement agreement (the “First Amendment to BMOHB Reimbursement Agreement”) and amend and restate the Existing BMOHB Fee Letter Agreement pursuant to an amended and restated fee letter (as so amended and restated, the “BMOHB Fee Letter Agreement”); and

**WHEREAS**, MICLA and the City have requested BANA to extend the stated expiration date of the BANA Credit Facility and in connection therewith, MICLA, the City and BANA will enter into a first amendment to amended and restated letter of credit and reimbursement agreement (the “First Amendment to BANA Reimbursement Agreement”) and amend and restate the Existing BANA Fee Letter Agreement pursuant to a second amended and restated fee letter (as so amended and restated, the “BANA Fee Letter Agreement”); and

**WHEREAS**, MICLA and the City have requested USB to extend the stated expiration date of the USB Credit Facility and in connection therewith, MICLA, the City and USB will enter into a first amendment to letter of credit and reimbursement agreement (the “First Amendment to USB Reimbursement Agreement”) and together with the First Amendment to BMOHB Reimbursement Agreement and the First Amendment to BANA Reimbursement Agreement, the “Reimbursement Agreement Amendments”) and amend and restate the Existing USB Fee Letter Agreement pursuant to an amended and restated fee letter (as so amended and restated, the “USB Fee Letter Agreement”) and together with the BMOHB Fee Letter Agreement and the BANA Fee Letter Agreement, the “Amended and Restated Fee Letter Agreements”); and

**WHEREAS**, the City Administrative Officer finds and recommends that, pursuant to Section 371(e)(10) of the Charter of the City, due to market conditions and circumstances and upon the analysis and advice of its municipal advisors, as further described in its report, the use of competitive bidding to replace and/or extend each of the Credit Facilities would be undesirable and impractical, and that it is in the best interest of the City to extend the Credit

Facilities with the Banks and to enter into the Reimbursement Agreement Amendments and the Amended and Restated Fee Letter Agreements with the Banks; and

**WHEREAS**, the City desires to cause the delivery of additional Credit Facilities or additional Alternate Credit Facilities under the Existing Trust Agreement, as amended by the First Amendment to Trust Agreement (as so amended, the “Trust Agreement”) for the Commercial Paper Notes from time to time and/or extend any existing Credit Facility and/or to amend any existing Credit Facility to increase or decrease the maximum principal amount of Commercial Paper Notes supported by such Credit Facility, and to cause any necessary designation of additional subseries of the Commercial Paper Notes (and any corresponding establishment of subaccounts with respect to such additional subseries) from time to time to facilitate such delivery or amendment, in support of a maximum \$425,000,000 aggregate principal amount of Commercial Paper Notes, payable from base rental payments made by the City to MICLA pursuant to a sublease of the Property; and

**WHEREAS**, the Commercial Paper Notes will continue to be placed from time to time by BofA Securities, Inc., Samuel A. Ramirez & Co., Inc. and U.S. Bancorp Investments, Inc., as the initial dealers (as more particularly defined in the Trust Agreement, the “Dealers”) pursuant to separate commercial paper dealer agreements (the “Dealer Agreements”), by and among MICLA, the City and each of the Dealers, and the Dealers will utilize one or more offering memoranda (the “Offering Memoranda”) prepared by MICLA for the Commercial Paper Notes in connection with the marketing of the Commercial Paper Notes; and

**WHEREAS**, MICLA has authorized and requested the City to act as agent for MICLA (the City, in such capacity, the “MICLA Agent”) in connection with the Commercial Paper Note Program and as agent in connection with the use of the proceeds of the Commercial Paper Notes for Project Costs as set forth in the Trust Agreement; and

**WHEREAS**, all acts, conditions and things required by the Constitution, laws of the State of California and the Charter of the City to exist, to have happened and to have been performed precedent to the adoption of this Resolution and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner (or, as applicable, will happen and be performed in regular due time, form and manner) as required by law, and the City is now duly authorized and empowered pursuant to each and every requirement of law to consummate such transactions for the purpose, in the manner and upon the terms herein provided;

**NOW, THEREFORE, BE IT RESOLVED, BY THE COUNCIL OF THE CITY OF LOS ANGELES**, as follows:

Section 1. The Commercial Paper Notes shall be issued by MICLA on behalf of the City from time to time in an aggregate total principal amount of not to exceed \$425,000,000 pursuant to the Trust Agreement and the Issuing and Paying Agent Agreement. This Council hereby reapproves the issuance by MICLA on behalf of the City of the Commercial Paper Notes from time to time in one or more series or subseries and as tax-exempt or taxable notes pursuant to the Trust Agreement and the Issuing and Paying Agent Agreement as part of the Commercial Paper Note Program.

Section 2. The First Amendment to Site Lease, a form of which is before this Council and on file in the office of the City Administrative Officer of the City, is hereby approved. The City Administrative Officer, any Assistant City Administrative Officer and any of their designees (each, an “Authorized Representative”) are each hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver the First Amendment to Site Lease, which shall be in substantially the form presented to this meeting, with such additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, in consultation with the City Attorney or any Deputy City Attorney or Assistant City Attorney (each, the “City Attorney”), such determination and approval to be conclusively evidenced by such Authorized Representative’s execution and delivery of such First Amendment to Site Lease.

Section 3. The First Amendment to Sublease, a form of which is before this Council and on file in the office of the City Administrative Officer of the City, is hereby approved. Each Authorized Representative is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver the First Amendment to Sublease, which shall be in substantially the form presented to this meeting, with such additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, in consultation with the City Attorney, such determination and approval to be conclusively evidenced by such Authorized Representative’s execution and delivery of such First Amendment to Sublease; provided, however, that the aggregate principal amount of the Commercial Paper Notes issued pursuant to the Trust Agreement shall not exceed \$425,000,000 and the new term of the Sublease shall not exceed 30 years, with an extension period up to 10 years thereafter. Each Authorized Representative is hereby authorized to approve the Base Rental Payment schedules to replace the Base Rental Payment schedules attached as Exhibit B to the Existing Sublease pursuant to the First Amendment to Sublease, which schedules shall include an interest component that reflects the interest expected to accrue on the Commercial Paper Notes.

Section 4. The First Amendment to Trust Agreement, a form of which is before this Council and on file in the office of the City Administrative Officer of the City, is hereby approved. Each Authorized Representative is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver the First Amendment to Trust Agreement, which shall be in substantially the form presented to this meeting, with such additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, in consultation with the City Attorney, such determination and approval to be conclusively evidenced by such Authorized Representative’s execution and delivery of such First Amendment to Trust Agreement.

Section 5. The Offering Memoranda relating to the Commercial Paper Notes, substantially in the form of the Offering Memorandum which is before this Council and on file in the office of the City Administrative Officer of the City, are hereby approved. MICLA has authorized and requested the City to act as the MICLA Agent in connection with the printing and distribution of the Offering Memoranda from time to time to persons who may be interested in purchasing the Commercial Paper Notes. Each Authorized Representative is hereby authorized

and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to cause the printing of, and to distribute, the Offering Memoranda in substantially the form presented to this meeting, with such updates, additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of MICLA and the City, in consultation with the City Attorney, to persons who may be interested in purchasing the Commercial Paper Notes. This Council hereby reapproves, as the MICLA Agent, the placement of the Commercial Paper Notes by the Dealers pursuant to the Dealer Agreements and the distribution of the Offering Memoranda by the Dealers in connection therewith.

Additional offering memoranda (or amendments, supplements or amendment and restatements thereof) relating to the Commercial Paper Notes in connection with the delivery of additional Credit Facilities or additional Alternate Credit Facilities under the Trust Agreement for the Commercial Paper Notes from time to time and/or extension of any existing Credit Facility and/or amendment of any existing Credit Facility as described in Section 7 below, are hereby approved; provided that any such additional offering memoranda shall be substantially in the form of the Offering Memoranda approved by this Resolution. MICLA has authorized and requested the City to act as the MICLA Agent in connection with the preparation, printing and distribution of such additional offering memoranda (or amendments, supplements or amendment and restatements thereof). Each Authorized Representative is hereby authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to cause the printing of, and to distribute, such additional offering memoranda (or amendments, supplements or amendment and restatements thereof), with such updates, additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of MICLA and the City, in consultation with the City Attorney, to persons who may be interested in purchasing the Commercial Paper Notes.

Section 6. This Council hereby adopts the findings and recommendations of the City Administrative Officer that, pursuant to Section 371(e)(10) of the Charter of the City, due to market conditions and circumstances and upon the analysis and advice of its municipal advisors, the use of competitive bidding to replace and/or extend each of the Credit Facilities would be undesirable and impractical, and that it is in the best interest of the City to extend the Credit Facilities with the Banks and to enter into the Reimbursement Agreement Amendments and the Amended and Restated Fee Letter Agreements with the Banks. This Council hereby approves the City Administrative Officer's recommendation to extend the Credit Facilities with the Banks and to enter into the Reimbursement Agreement Amendments and the Amended and Restated Fee Letter Agreements with the Banks.

The Reimbursement Agreement Amendments and the Amended and Restated Fee Letter Agreements, forms of which are before this Council and on file in the office of the City Administrative Officer of the City, are hereby approved. Each Authorized Representative is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver the Reimbursement Agreement Amendments and the Amended and Restated Fee Letter Agreements, which Reimbursement Agreement Amendments and Amended and Restated Fee Letter Agreements shall be in substantially the forms presented to this meeting, with such additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best

interests of the City (including without limitation any additions and changes in connection with the delivery of any additional Credit Facilities or additional Alternate Credit Facilities under the Trust Agreement for the Commercial Paper Notes and/or extension of any existing Credit Facility and/or amendment of any existing Credit Facility to increase or decrease the maximum principal amount of Commercial Paper Notes supported by such Credit Facility or to cause any necessary designation of additional subseries of the Commercial Paper Notes and any corresponding establishment of subaccounts with respect to such additional subseries, to facilitate such delivery or amendment), in consultation with the City Attorney, such determination and approval to be conclusively evidenced by such Authorized Representative's execution and delivery of such Reimbursement Agreement Amendments and Amended and Restated Fee Letter Agreements. This Council hereby finds and determines that the Credit Facilities are expected to result in a lower cost of borrowing to the City during the extended terms thereof.

Section 7. MICLA has reauthorized and requested the City to act as the MICLA Agent in connection with the delivery of additional Credit Facilities or additional Alternate Credit Facilities under the Trust Agreement for the Commercial Paper Notes from time to time and/or extension of any existing Credit Facility and/or amendment of any existing Credit Facility to increase or decrease the maximum principal amount of Commercial Paper Notes supported by such Credit Facility, and to authorize any necessary designation of additional subseries of the Commercial Paper Notes (and any corresponding establishment of subaccounts with respect to such additional subseries) from time to time to facilitate such delivery or amendment, in support of a maximum \$425,000,000 aggregate principal amount of Commercial Paper Notes, payable from base rental payments made by the City to MICLA pursuant to a sublease of the Property. Each Authorized Representative continues to be authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to cause the delivery of such additional Credit Facilities or additional Alternate Credit Facilities and/or such extension of any existing Credit Facility and/or such amendment of any existing Credit Facility to increase or decrease the maximum principal amount of Commercial Paper Notes supported by such Credit Facility, if such Authorized Representative deems it in the best interests of MICLA and the City to do so, and each Authorized Representative continues to be authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver any amendments, supplements or amendment and restatements or replacements of the Program Documents (as defined below) from time to time to facilitate such delivery or amendment, as applicable, in support of a maximum \$425,000,000 aggregate principal amount of Commercial Paper Notes, payable from base rental payments made by the City to MICLA pursuant to a sublease of the Property; provided that (i) any such documents shall be substantially in the forms of the equivalent documents executed and delivered by an Authorized Representative pursuant to this Resolution or pursuant to prior authorization from this Council; (ii) any provider of an additional Credit Facility or additional Alternate Credit Facility under the Trust Agreement for the Commercial Paper Notes must be a bank or financial institution rated "A" or "A2" or its equivalent or better by any rating agency; and (iii) no reimbursement agreement or amendment thereto shall require an initial annual fee in excess of 1.95% of the commitment amount.

Section 8. Each Authorized Representative is hereby authorized to approve such other changes and additions to the Commercial Paper Notes, the Site Lease, the Sublease, the Assignment Agreement, the Trust Agreement, the Issuing and Paying Agent Agreement, the

Dealer Agreements, the Offering Memoranda, the Credit Facilities, the Existing BMOHB Reimbursement Agreement, as amended by the First Amendment to BMOHB Reimbursement Agreement (as so amended, the “BMOHB Reimbursement Agreement”), the Existing BANA Reimbursement Agreement, as amended by the First Amendment to BANA Reimbursement Agreement (as so amended, the “BANA Reimbursement Agreement”), the Existing USB Reimbursement Agreement, as amended by the First Amendment to USB Reimbursement Agreement (as so amended, the “USB Reimbursement Agreement”), the Amended and Restated Fee Letter Agreements and the Revolving Notes (collectively, the “Program Documents”) as he or she shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, in consultation with the City Attorney, the execution and delivery of any such documents, the issuance of the Commercial Paper Notes and the Revolving Notes and the distribution of the Offering Memoranda to be conclusive evidence of such determination and approval of any such changes or additions. Each Authorized Representative is hereby further authorized and directed, for and in the name of and on behalf of the City, to do any and all things and to execute any and all certificates, agreements (including any custodial agreements, escrow agreements, termination agreements, indemnifications or any other documents necessary to clear title on any of the properties subject to any of the Program Documents or any recordation memoranda or agreements or easement agreements with respect to such properties) and other closing documents, including letters of direction, as are necessary to consummate the transactions contemplated by this Resolution and the Program Documents. Each Authorized Representative is hereby further authorized and directed, for and in the name of and on behalf of the City, to do any and all things and to execute any and all amendments to the letter of credit and reimbursement agreements and related fee letter agreements for the Commercial Paper Note Program or other documents to provide for a short-term extension of the term of any Credit Facility for the Commercial Paper Note Program, as such Authorized Representative, or any of the City’s municipal advisors, shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, and deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 9. MICLA has authorized and requested the City to act as the MICLA Agent in connection with the Commercial Paper Note Program and the use of the proceeds of the Commercial Paper Notes for Project Costs as set forth in the Trust Agreement. Each Authorized Representative continues to be authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to take such actions in connection with the Commercial Paper Note Program and the use of the proceeds of the Commercial Paper Notes for Project Costs as set forth in the Trust Agreement if such Authorized Representative deems it in the best interests of MICLA and the City to do so.

Section 10. Each Authorized Representative is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to add any additional land, including the buildings and improvements located thereon to Exhibit A attached hereto, and/or to remove any land, including the buildings and improvements located thereon that is an Existing Property under the Existing Site Lease, the Existing Sublease and the Existing Assignment Agreement supporting the Commercial Paper Note Program as such Authorized Representative, or any of the City’s municipal advisors, shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, and deem necessary or



advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 11. Each Authorized Representative continues to be authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to replace the Trustee under the Trust Agreement if such Authorized Representative deems it in the best interests of MICLA and the City to do so, provided that no replacement shall require an annual fee in excess of \$10,000 for services as the Trustee. Each Authorized Representative continues to be authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to replace the Issuing and Paying Agent under the Issuing and Paying Agent Agreement if such Authorized Representative deems it in the best interests of MICLA and the City to do so, provided that no replacement shall require an annual fee in excess of \$10,000 for services as the Issuing and Paying Agent. Each Authorized Representative is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver any other amendments to and assignments of the Dealer Agreements necessary to make conforming changes to the Dealer Agreements in connection with the transactions contemplated by this Resolution as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, in consultation with the City Attorney, such determination and approval to be conclusively evidenced by such Authorized Representative's execution and delivery of such amendments or assignments. MICLA has reauthorized and requested the City to act as the MICLA Agent in connection with the replacement of one or more of the Dealers or the retention of additional dealers for the Commercial Paper Notes from time to time. Each Authorized Representative continues to be authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to replace one or more of the Dealers or to retain additional dealers for the Commercial Paper Notes if such Authorized Representative deems it in the best interests of MICLA and the City to do so and any Authorized Representative continues to be authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver new Dealer Agreements with such broker-dealers or banks, which shall be in substantially the form presented to this meeting, with such additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, in consultation with the City Attorney, such determination and approval to be conclusively evidenced by such Authorized Representative's execution and delivery of such new Dealer Agreements; provided that no replacement shall require an annual fee in excess of 0.10% of the weighted average of the principal amount of the Commercial Paper Notes sold by such Dealer.

Section 12. The Authorized Representatives and the officers and employees of the City are, and each of them is, hereby authorized and directed, for and in the name of and on behalf of the City to do any and all things and to execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 13. All actions heretofore taken by the officers and employees of the City with respect to the Commercial Paper Note Program or the issuance and delivery of the Commercial Paper Notes are hereby approved, confirmed and ratified.

Section 14. All of the agreements contemplated by this Resolution may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Facsimile signatures or signatures scanned into a portable document format (.pdf file) (or signatures in another electronic format designated by the City) and sent by e-mail shall be deemed original signatures, unless stated otherwise in the agreement.

Section 15. This Resolution shall take effect immediately upon its adoption.

## Exhibit A

### Leased Properties

1. Central Facilities Building
2. Fire Station No. 9
3. Fire Station No. 27
4. Fire Station No. 52
5. Fire Station No. 59
6. Fire Station No. 61
7. Fire Station No. 63
8. Fire Station No. 68
9. Fire Station No. 83
10. Foothill Police Station
11. Hollywood Police Station
12. LAPD Training Center
13. Newton Police Station
14. N. Hollywood Police Station
15. Pacific Police Station
16. West Los Angeles Police Station
17. Wilshire Police Station
18. Van Nuys HQ Parking Structure
19. 77<sup>th</sup> Street Police Station

This Exhibit A shall be deemed to include such other properties from time to time designated by the City and covered by a valid lease ordinance.

**Exhibit A – First Amendment to the Amended and Restated Site Lease**

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Hawkins Delafield & Wood LLP  
333 South Grand Avenue, Suite 3650  
Los Angeles, California 90071  
Attention: Melanie S. Murakami, Esq.

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(Space Above This Line For Recorders Use Only)

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**FIRST AMENDMENT TO AMENDED AND RESTATED SITE LEASE**

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**FIRST AMENDMENT TO AMENDED AND RESTATED SITE LEASE**

**Dated as of June 1, 2022**

**by and between the**

**CITY OF LOS ANGELES,  
as Lessor,**

**and**

**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES,  
as Lessee**

**Relating to  
Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes**

**Amending that certain Amended and Restated Site Lease, dated as of June 1, 2019, by and between the City of Los Angeles, as Lessor and the Municipal Improvement Corporation of Los Angeles, as Lessee**

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NO DOCUMENTARY TRANSFER TAX DUE. This First Amendment to Amended and Restated Site Lease is recorded for the benefit of the City of Los Angeles and the recording is exempt under Section 27383 of the California Government Code and Section 11928 of the California Revenue and Taxation Code. This document is exempt from fee per Section 27388.1(a)(2)(D) of the California Government Code as an real estate instrument executed or recorded by the state or any county, municipality, or other political subdivision of the state.

## **FIRST AMENDMENT TO AMENDED AND RESTATED SITE LEASE**

THIS FIRST AMENDMENT TO AMENDED AND RESTATED SITE LEASE, dated as of June 1, 2022 (this “First Amendment”), is made by and between the CITY OF LOS ANGELES, a charter city and municipal corporation duly organized and existing under and pursuant to its charter and the laws and Constitution of the State of California (the “City”), as lessor, and the MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES, a California nonprofit public benefit corporation (“MICLA”), as lessee, amending that certain Amended and Restated Site Lease, dated as of June 1, 2019, by and between the City, as lessor and MICLA, as lessee, recorded on June 21, 2019, as Instrument No. 20190592797, in the Official Records for Los Angeles County, California (the “Existing Site Lease”). The Existing Site Lease, as amended by this First Amendment, and as further amended and supplemented from time to time, being hereinafter referred to as the “Site Lease.”

### **RECITALS**

WHEREAS, the City is the fee owner of the Property (as defined in the Existing Site Lease) and has leased to MICLA the Property, and MICLA has leased from the City the Property on the terms stated in the Existing Site Lease; and

WHEREAS, the City and MICLA desire to remove certain parcels of land, including the buildings and improvements located thereon from the definition of “Property” in the Existing Site Lease; and

WHEREAS, the parcels of land, including the buildings and improvements located thereon to be released are described more fully in Exhibit B attached to this First Amendment (the “Released Property”); and

WHEREAS, after such removal, the City will continue to lease to MICLA the parcels of land, including the buildings and improvements located thereon, described in Exhibit A attached to this First Amendment, upon the terms and conditions, and for the term, more fully set forth in the Existing Site Lease, as amended by this First Amendment; and

WHEREAS, the Banks have provided their written consent to this First Amendment; and

WHEREAS, the City is authorized to enter into this First Amendment pursuant to applicable law of the State;

### **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby recognized and acknowledged, the parties hereto agree as follows:

**Section 1. Authority and Definitions.**

(a) This First Amendment is entered into pursuant to Section 17 of the Existing Site Lease and Section 7.02 of the Trust Agreement.

(b) All capitalized terms used herein without definition shall have the meanings given to such terms in the Amended and Restated Sublease, dated as of June 1, 2019, as amended by the First Amendment to Amended and Restated Sublease, dated as of June 1, 2022 (as so amended, the “Sublease”), each by and between MICLA and the City, relating to the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes.

(c) This First Amendment shall become effective upon execution and delivery hereof by the City and MICLA on June 8, 2022.

(d) The provisions of this First Amendment shall supersede and prevail over any conflicting provisions of the Existing Site Lease. If there is any conflict between the terms, conditions and provisions of this First Amendment and those of the Existing Site Lease, the terms, conditions and provisions of this First Amendment, as applicable, shall prevail. Save and except as expressly amended hereby, all of the terms and provisions of the Existing Site Lease continue in full force and effect and are applicable to the provisions of this First Amendment and the obligations of the parties hereunder.

**Section 2. Amendment of the Existing Site Lease.**

Exhibit A to the Existing Site Lease is hereby deleted in its entirety and Exhibit A attached hereto substituted therefor and incorporated into the Site Lease by this reference. The definition of “Property” set forth in Section 2 of the Existing Site Lease is hereby amended accordingly to remove those parcels of land, together with buildings and improvements located thereon, located in the City of Los Angeles, County of Los Angeles, California, identified as Site Fifteen (Old Venice City Hall) and Site Seventeen (Parking Lot), as more particularly described in Exhibit B attached hereto.

Notwithstanding Section 4 of the Existing Site Lease, the term of the Site Lease shall end as to the Released Property.

**Section 3. Partial Invalidity.**

If any one or more of the terms, provisions, promises, covenants or conditions of this First Amendment shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, promises, covenants and conditions of this First Amendment shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

**Section 4. Governing Law; Venue.**

This First Amendment is made in the State under the Constitution and laws of the State and is to be so construed. If any party to this First Amendment initiates any legal or equitable action to enforce the terms of this First Amendment, to declare the rights of the parties



under this First Amendment or which relates to this First Amendment in any manner, each such party agrees that the place of making and for performance of this First Amendment shall be the City of Los Angeles, State of California, and the proper venue for any such action shall be any court of competent jurisdiction.

**Section 5. Execution in Counterparts.**

This First Amendment may be executed in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same agreement.

[The remainder of this page intentionally left blank]

**IN WITNESS WHEREOF**, the parties hereto have executed this First Amendment to Amended and Restated Site Lease as of the date first above written.

**CITY OF LOS ANGELES**, as Lessor

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

**APPROVED AS TO FORM:**  
**MICHAEL N. FEUER, CITY ATTORNEY**

By: \_\_\_\_\_  
Name: Gerald Kim  
Title: Deputy City Attorney

**MUNICIPAL IMPROVEMENT  
CORPORATION OF LOS ANGELES**, as  
Lessee

By: \_\_\_\_\_  
Name: Ha To  
Title: Assistant Secretary and Assistant Treasurer

**CERTIFICATE OF ACCEPTANCE**

In accordance with Section 27281 of the California Governmental Code, this is the certify that the interest in the Property conveyed under the First Amendment to Amended and Restated Site Lease, dated as of June 1, 2022, by and between the City of Los Angeles (the “City”), a charter city and municipal corporation duly organized and existing under its charter and the laws and Constitution of the State of California, as lessor, and the Municipal Improvement Corporation of Los Angeles, a California nonprofit public benefit corporation, as lessee, is hereby accepted by the undersigned officer or agent on behalf of the City, pursuant to authority conferred by resolution of the City Council of the City adopted on April 20, 2022, and the City consents to recordation thereof by its duly authorized officer.

Dated: June 8, 2022

**CITY OF LOS ANGELES**

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

[Insert Notary Forms]

**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**  
**(AFTER REMOVAL)**

[See attached pages]

**EXHIBIT B**

**LEGAL DESCRIPTION OF RELEASED PROPERTY**

[See attached pages]

**Exhibit B – First Amendment to the Amended and Restated Sublease**

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Hawkins Delafield & Wood LLP  
333 South Grand Avenue, Suite 3650  
Los Angeles, California 90071  
Attention: Melanie S. Murakami, Esq.

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(Space Above This Line For Recorders Use Only)

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**FIRST AMENDMENT TO AMENDED AND RESTATED SUBLEASE**

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**FIRST AMENDMENT TO AMENDED AND RESTATED SUBLEASE**

**Dated as of June 1, 2022**

**by and between**

**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES,  
as Sublessor,**

**and**

**CITY OF LOS ANGELES,  
as Sublessee**

**Relating to**

**Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes**

**Amending that certain Amended and Restated Sublease, dated as of June 1, 2019, by and  
between the Municipal Improvement Corporation of Los Angeles, as Sublessor and the  
City of Los Angeles, as Sublessee**

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NO DOCUMENTARY TRANSFER TAX DUE. This First Amendment to Amended and Restated Sublease is recorded for the benefit of the City of Los Angeles and the recording is exempt under Section 27383 of the California Government Code and Section 11921 of the California Revenue and Taxation Code. This document is exempt from fee per Section 27388.1(a)(2)(D) of the California Government Code as an real estate instrument executed or recorded by the state or any county, municipality, or other political subdivision of the state.

## **FIRST AMENDMENT TO AMENDED AND RESTATED SUBLEASE**

THIS FIRST AMENDMENT TO AMENDED AND RESTATED SUBLEASE, dated as of June 1, 2022 (this “First Amendment”), is entered into by and between the MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES (“MICLA”), a California nonprofit public benefit corporation, as sublessor, and the CITY OF LOS ANGELES (the “City”), a charter city and municipal corporation duly organized and existing under its charter and the laws and Constitution of the State of California, as sublessee, amending that certain Amended and Restated Sublease, dated as of June 1, 2019, by and between the MICLA, as sublessor and the City, as sublessee, recorded on June 21, 2019, as Instrument No. 20190592798, in the Official Records for Los Angeles County, California (the “Existing Sublease”). The Existing Sublease, as amended by this First Amendment, and as further amended and supplemented from time to time, being hereinafter referred to as the “Sublease.”

### **RECITALS**

WHEREAS, MICLA is the lessee of the Property (as defined in the Existing Sublease) pursuant to the terms and conditions set forth in the Amended and Restated Site Lease, dated as of June 1, 2019, between the City and MICLA, relating to the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, and has subleased to the City the Property, and the City has subleased from MICLA the Property, on the terms stated in the Existing Sublease; and

WHEREAS, MICLA and the City desire to remove certain parcels of land, including the buildings and improvements located thereon from the definition of “Property” in the Existing Sublease; and

WHEREAS, the parcels of land, including the buildings and improvements located thereon to be released are described more fully in Exhibit C attached to this First Amendment (the “Released Property”); and

WHEREAS, MICLA and City desire to extend the initial term of the Sublease as reflected on a new Exhibit B to be attached to the Sublease; and

WHEREAS, after such removal, MICLA will continue to sublease to the City the parcels of land, including the buildings and improvements located thereon, described in Exhibit A attached to this First Amendment, upon the terms and conditions, and for the term, more fully set forth in the Existing Sublease, as amended by this First Amendment; and

WHEREAS, the Banks have provided their written consent to this First Amendment; and

WHEREAS, the City is authorized to enter into this First Amendment pursuant to applicable law of the State;

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby recognized and acknowledged, the parties hereto agree as follows:

### **Section 1. Authority and Definitions.**

**1.1** This First Amendment is entered into pursuant to Section 19 of the Existing Sublease and Section 7.02 of the Trust Agreement.

**1.2** All capitalized terms used herein without definition shall have the meanings given to such terms in the Existing Sublease.

**1.3** This First Amendment shall become effective upon execution and delivery hereof by MICLA and the City on June 8, 2022.

**1.4** The provisions of this First Amendment shall supersede and prevail over any conflicting provisions of the Existing Sublease. If there is any conflict between the terms, conditions and provisions of this First Amendment and those of the Existing Sublease, the terms, conditions and provisions of this First Amendment, as applicable, shall prevail. Save and except as expressly amended hereby, all of the terms and provisions of the Existing Sublease continue in full force and effect and are applicable to the provisions of this First Amendment and the obligations of the parties hereunder.

### **Section 2. Amendment of the Existing Sublease.**

**2.1** Section 1 of the Existing Sublease is hereby amended by adding the following definition thereto in alphabetical order thereof:

**“Amortization Commencement Date”** means April 15 of the calendar year preceding the first Base Rental Period set forth on Exhibit B hereto which has an amount in the column with the heading “Max CP Amount” on the schedule for all of the Components less than \$425,000,000.

**2.2** The second full paragraph of Section 2.2 of the Existing Sublease is hereby deleted in its entirety and the following substituted therefor:

Notwithstanding anything to the contrary contained herein, including without limitation the provisions of Section 3.1 hereof, if, at any time on or prior to the final maturity of all outstanding Commercial Paper Notes, there shall remain outstanding any obligations to any Bank under any of the Reimbursement Agreements, the term of this Sublease with respect to each Component subject to this Sublease at such time shall be extended until such date as all such obligations to the Banks have been satisfied; provided, however, in no event shall the term of this Sublease with respect to any Component extend beyond June 8, 2062. During such extension of the term of this Sublease the City shall pay Base Rental (including any Maximum Base Rental which accrued

during any prior Base Rental Period but was not paid during such prior Base Rental Period) in an amount sufficient to satisfy such obligations to the Banks in full; provided, however, that the Base Rental with respect to any Component during any Base Rental Period shall not exceed the then fair rental value with respect to such Component during such Base Rental Period.

**2.3** Exhibit A to the Existing Sublease is hereby deleted in its entirety and Exhibit A attached hereto substituted therefor and incorporated into the Sublease by this reference. By its terms, the definition of “Property” set forth in Section 1 of the Sublease excludes any Component or property released pursuant to Section 7 of the Sublease, and accordingly excludes those parcels of land, together with the buildings and improvements located thereon, located in the City of Los Angeles, County of Los Angeles, California, identified as Site Fifteen (Old Venice City Hall) and Site Seventeen (Parking Lot), as more particularly described in Exhibit C attached hereto.

**2.4** Exhibit B to the Existing Sublease is hereby deleted in its entirety and Exhibit B attached hereto substituted therefor and incorporated into the Sublease by this reference.

**Section 3. Partial Invalidity.** If any one or more of the terms, provisions, promises, covenants or conditions of this First Amendment shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, promises, covenants and conditions of this First Amendment shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

**Section 4. Execution in Counterparts.** This First Amendment may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same agreement.

**Section 5. Law Governing.** This First Amendment is made in the State under the Constitution and laws of the State and is to be so construed.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Amended and Restated Sublease as of the date first above written.

**MUNICIPAL IMPROVEMENT  
CORPORATION OF LOS ANGELES, as  
Sublessor**

By: \_\_\_\_\_  
Name: Ha To  
Title: Assistant Secretary and Assistant Treasurer

**CITY OF LOS ANGELES, as Sublessee**

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

**APPROVED AS TO FORM:  
MICHAEL N. FEUER, CITY ATTORNEY**

By: \_\_\_\_\_  
Name: Gerald Kim  
Title: Deputy City Attorney

**CERTIFICATE OF ACCEPTANCE**

In accordance with Section 27281 of the California Governmental Code, this is the certify that the interest in the Property conveyed under the First Amendment to Amended and Restated Sublease, dated as of June 1, 2022, by and between the Municipal Improvement Corporation of Los Angeles (“MICLA”), a California nonprofit public benefit corporation, as sublessor, and the City of Los Angeles, a charter city and municipal corporation duly organized and existing under its charter and the laws and Constitution of the State of California, as sublessee, and is hereby accepted by the undersigned officer or agent on behalf of the City, pursuant to authority conferred by resolution of the Board of Directors of MICLA adopted on April [\_\_\_], 2022, and MICLA consents to recordation thereof by its duly authorized officer.

Dated: June 8, 2022

**MUNICIPAL IMPROVEMENT  
CORPORATION OF LOS ANGELES**

By: \_\_\_\_\_

Name: Ha To

Title: Assistant Secretary and Assistant Treasurer

[Insert Notary Forms]

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY  
(AFTER REMOVAL)**

[See attached legal description of each Component]



**EXHIBIT B**  
**BASE RENTAL PAYMENT SCHEDULE**

**EXHIBIT C**

**LEGAL DESCRIPTION OF RELEASED PROPERTY**

[See attached legal description of each Component]

**Exhibit C – First Amendment to the Fourth Amended  
and Restated Trust Agreement**

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**FIRST AMENDMENT TO  
FOURTH AMENDED AND RESTATED TRUST AGREEMENT**

**Dated as of June 1, 2022**

**by and among**

**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES,**

**CITY OF LOS ANGELES**

**and**

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

**Relating to**

**Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes**

Amending that certain Fourth Amended and Restated Trust Agreement, dated as of June 1, 2019, by and among the Municipal Improvement Corporation of Los Angeles, the City of Los Angeles and U.S. Bank National Association, as predecessor trustee

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**FIRST AMENDMENT TO FOURTH AMENDED AND RESTATED TRUST  
AGREEMENT**

**THIS FIRST AMENDMENT TO FOURTH AMENDED AND RESTATED TRUST AGREEMENT**, dated as of June 1, 2022 (this “**First Amendment**”), is entered into by and among the **MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES**, a California nonprofit public benefit corporation (“**MICLA**”), the **CITY OF LOS ANGELES**, a municipal corporation organized and existing under and pursuant to its charter and the laws of the State of California (the “**City**”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as successor trustee (the “**Trustee**”), amending that certain Fourth Amended and Restated Trust Agreement, dated as of June 1, 2019 (the “**Existing Trust Agreement**”), by and among MICLA, the City and U.S. Bank National Association, as predecessor trustee. The Existing Trust Agreement, as amended by this First Amendment and as further amended and supplemented from time to time, being hereinafter referred to as the “**Trust Agreement**.”

**W I T N E S S E T H:**

**WHEREAS**, in order to assist the City, MICLA has determined to provide under the Trust Agreement for the issuance of its Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes from time to time for the purpose of providing moneys which will be sufficient, among other things (i) to finance or refinance Project Costs (as defined in the Trust Agreement); (ii) to pay Commercial Paper Notes (and interest thereon), directly or indirectly, issued pursuant to the provisions hereof, including without limitation, to fund capitalized interest on the Notes (as described in the Trust Agreement); and (iii) to pay costs incurred in connection with the issuance, sale and delivery of the Commercial Paper Notes from time to time, including without limitation to fund Capitalized Fees and Expenses (as defined in the Trust Agreement); and

**WHEREAS**, MICLA entered into the Existing Trust Agreement in order to provide for the authentication and delivery of the Commercial Paper Notes, to establish and declare the terms and conditions upon which the Commercial Paper Notes will be issued and secured, and to secure the payment of the principal thereof and interest thereon; and

**WHEREAS**, concurrently therewith, MICLA and the City entered into an Amended and Restated Site Lease, dated as of June 1, 2019 (the “**Existing Site Lease**”), pursuant to which MICLA leased from the City certain parcels of land, including the buildings and improvements located thereon (as more particularly defined in the Existing Site Lease, the “**Property**”); and

**WHEREAS**, concurrently therewith, MICLA and the City entered into an Amended and Restated Sublease, dated as of June 1, 2019 (the “**Existing Sublease**”), pursuant to which the City subleased the Property from MICLA; and

**WHEREAS**, MICLA and the City desire to remove certain parcels of land, including the buildings and improvements located thereon from the definition of “Property” in the Existing Site Lease and the Existing Sublease; and

**WHEREAS**, MICLA and City desire to extend the initial term of the Sublease as reflected on a new Exhibit B to be attached to the Sublease; and

**WHEREAS**, certain provisions of the Existing Trust Agreement should be amended to conform to the amendments to the Existing Sublease described above; and

**WHEREAS**, Section 7.01 of the Existing Trust Agreement provides that the Trust Agreement may be amended and supplemented from time to time by agreement among the City, MICLA and the Trustee and with the written consent of the Banks; and

**WHEREAS**, the Banks have provided their written consent to this First Amendment; and

**WHEREAS**, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this First Amendment do exist, have happened and have been performed in due time, form, and manner as required by law, and the parties hereto are duly authorized to execute and enter into this First Amendment; and

**NOW, THEREFORE**, in consideration of the premises, in reliance on the representations, warranties, covenants, and other agreements hereinafter contained and referenced, and for other good, valuable, and fair considerations and reasonably equivalent value, the receipt and sufficiency of which are recognized and acknowledged by all parties hereto, the parties hereto do hereby agree that the Existing Trust Agreement is hereby amended as follows:

**NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS TRUST AGREEMENT WITNESSETH:**

Section 1.01. Authority and Definitions.

(a) This First Amendment is entered into pursuant to Section 7.01 of the Existing Trust Agreement.

(b) All capitalized terms used herein without definition shall have the meanings given to such terms in the Existing Trust Agreement.

(c) This First Amendment shall become effective upon execution and delivery hereof by MICLA, the City and the Trustee on June 8, 2022.

(d) The provisions of this First Amendment shall supersede and prevail over any conflicting provisions of the Existing Trust Agreement. If there is any conflict between the terms, conditions and provisions of this First Amendment and those of the Existing Trust Agreement, the terms, conditions and provisions of this First Amendment, as applicable, shall prevail. Save and except as expressly amended hereby, all of the terms and provisions of the

Existing Trust Agreement continue in full force and effect and are applicable to the provisions of this First Amendment and the obligations of the parties hereunder.

Section 1.02. Amendments to Existing Trust Agreement.

(a) Section 1.02 of the Existing Trust Agreement is hereby amended by adding the following definition thereto in alphabetical order thereof:

“Amortization Commencement Date” shall have the meaning assigned to such term in the Sublease.

(b) Amendment of Third Paragraph of Section 2.02(a) of the Existing Trust Agreement. The third paragraph of Section 2.02(a) of the Existing Trust Agreement is hereby deleted in its entirety and the following substituted therefor:

MICLA shall ensure that Commercial Paper Notes and Advances evidenced by the Revolving Notes, on a Pro Rata Basis, in an amount not less than the Required Principal Reduction Amount shall be retired and not reissued or shall be repaid or prepaid, as applicable, no later than April 15 of each Base Rental Period commencing on the Amortization Commencement Date, with any such Advances repaid or prepaid prior to retirement and nonreissuance of any such Commercial Paper Notes. The Commercial Paper Notes shall not be subject to redemption prior to maturity.

(c) Amendment of Section 3.05(f)(iii) of the Existing Trust Agreement. Section 3.05(f)(iii) of the Existing Trust Agreement is hereby deleted in its entirety and the following substituted therefor:

(iii) No later than each April 15, commencing on the Amortization Commencement Date, the Issuing and Paying Agent shall transfer from the Base Rental Account to the applicable Bank Reimbursement Subaccounts such amount as shall be necessary to repay or prepay Advances evidenced by the related Revolving Note or to reimburse the related Bank for any Advances evidenced by the related Revolving Note made to retire the applicable Subseries of maturing Commercial Paper Notes, with any such Advances repaid or prepaid prior to retirement of any such maturing Commercial Paper Notes, on a Pro Rata Basis, in an aggregate amount not less than the Required Principal Reduction Amount calculated for the then current Base Rental Period. Any amounts remaining in the Base Rental Account on June 30 of each year following such transfer and the other transfers required by this Section 3.05 (other than any remaining money representing delinquent Base Rental payments and any proceeds of rental interruption insurance which shall remain on deposit in the Base Rental Account), taking into account the accrued and unpaid interest on the applicable Commercial Paper Notes that will be paid during the next succeeding Quarterly Payment Period (which shall be retained in the Base Rental Account), shall be applied, at the direction of the City, to pay any outstanding Advances evidenced by the Revolving Notes, to pay any Advances evidenced by Revolving Notes made to

retire additional Commercial Paper Notes of the applicable Subseries (and interest thereon) or for any lawful purpose of the City (in which case such amount shall be transferred to or upon the direction of the City). In the event that the City does not provide the Issuing and Paying Agent with any direction, the Issuing and Paying Agent shall remit such remaining amounts on deposit in the Base Rental Account to the City.

(d) Amendment of Section 4.07 of the Existing Trust Agreement.

Section 4.07 of the Existing Trust Agreement is hereby deleted in its entirety and the following substituted therefor:

Section 4.07. Standard Provisions for City Contracts. Certain standard provisions for City contracts are attached hereto as Attachment A and are hereby incorporated by reference into this Trust Agreement, and the Trustee agrees to be subject to all of such provisions. Anything herein to the contrary notwithstanding, to the extent of any conflict between Attachment A attached hereto and the other provisions of this Trust Agreement, the other provisions of this Trust Agreement shall be controlling.

(e) Amendment of Section 6.12 of the Existing Trust Agreement.

Section 6.12 of the Existing Trust Agreement is hereby deleted in its entirety and the following substituted therefor:

Section 6.12. Retirement of Commercial Paper Notes. So long as any Commercial Paper Notes or Advances evidenced by Revolving Notes are Outstanding, MICLA shall cause the Dealers to retire and not remarket, renew or refinance Commercial Paper Notes and MICLA shall repay or prepay Advances evidenced by the Revolving Notes, on a Pro Rata Basis, in an aggregate principal amount equal to or in excess of the Required Principal Reduction Amount no later than April 15 of each Base Rental Period, commencing on the Amortization Commencement Date, with any such Advances repaid or prepaid prior to retirement of any such Commercial Paper Notes.

(f) Amendment of Attachment A to the Existing Trust Agreement.

Attachment A to the Existing Trust Agreement is hereby amended by adding the following at the end thereof:

Section 11. COVID-19. Employees of the Trustee and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, "Trustee Personnel"), while performing services under this Trust Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, "In-Person Services") must be fully vaccinated against the novel coronavirus 2019 ("COVID-19"). "Fully vaccinated" means that 14 or more days have passed since Trustee Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease



Control and Prevention. Prior to assigning Trustee Personnel to perform In-Person Services, the Trustee shall obtain proof that such Trustee Personnel have been fully vaccinated. The Trustee shall retain such proof for the document retention period set forth in this Trust Agreement. The Trustee shall grant medical or religious exemptions (“Exemptions”) to Trustee Personnel as required by law. If the Trustee wishes to assign Trustee Personnel with Exemptions to perform In-Person Services, the Trustee shall require such Trustee Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by the Trustee. If the Trustee Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, the Trustee shall immediately notify City if Trustee Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

Section 1.03. Governing Law. This First Amendment shall be construed and governed in accordance with the laws of the State.

Section 1.04. Partial Invalidity. Any provision of this First Amendment found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this First Amendment.

Section 1.05. Execution in Counterparts. This First Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Fourth Amended and Restated Trust Agreement effective the date first above written.

**MUNICIPAL IMPROVEMENT  
CORPORATION OF LOS ANGELES**

By: \_\_\_\_\_

Name: Ha To

Title: Assistant Secretary and Assistant Treasurer

**CITY OF LOS ANGELES**

By: \_\_\_\_\_

Name: Benjamin Ceja

Title: Assistant City Administrative Officer

**APPROVED AS TO FORM:  
MICHAEL N. FEUER, CITY ATTORNEY**

By: \_\_\_\_\_

Name: Gerald Kim

Title: Deputy City Attorney

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **Exhibit D – Offering Memorandum**

OFFERING MEMORANDUM DATED JUNE [ ], 2022

In the opinion of Nixon Peabody LLP, as Special Tax Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Series A Commercial Paper Notes (defined below) when issued in accordance with a Tax and Nonarbitrage Certificate (a "Tax Certificate"), is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Special Tax Counsel is also of the opinion that interest on the Series A Commercial Paper Notes is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Series B Commercial Paper Notes (defined below) is not excluded from gross income for federal income tax purposes. Special Tax Counsel is further of the opinion that interest on the Commercial Paper Notes (defined below) is exempt from personal income taxes of the State of California ("State") under present State law. See "TAX MATTERS" herein.



Up to \$425,000,000  
**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES**  
**LEASE REVENUE COMMERCIAL PAPER NOTES,**  
**TAX-EXEMPT SERIES A-1 AND TAXABLE SERIES B-1**  
**TAX-EXEMPT SERIES A-2 AND TAXABLE SERIES B-2**  
**TAX-EXEMPT SERIES A-3 AND TAXABLE SERIES B-3**

This Offering Memorandum has been prepared for use by BofA Securities, Inc., Samuel A. Ramirez & Co., Inc. and U.S. Bancorp Investments, Inc. (collectively, the "Dealers" and each, a "Dealer") by the Municipal Improvement Corporation of Los Angeles (the "Corporation"), and contains certain information regarding the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-1 (the "Tax-Exempt Series A-1 Commercial Paper Notes") and Taxable Series B-1 (the "Taxable Series B-1 Commercial Paper Notes" and together with the Tax-Exempt Series A-1 Commercial Paper Notes, the "Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes"), the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-2 (the "Tax-Exempt Series A-2 Commercial Paper Notes") and Taxable Series B-2 (the "Taxable Series B-2 Commercial Paper Notes" and together with the Tax-Exempt Series A-2 Commercial Paper Notes, the "Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes") and the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-3 (the "Tax-Exempt Series A-3 Commercial Paper Notes") and Taxable Series B-3 (the "Taxable Series B-3 Commercial Paper Notes" and together with the Tax-Exempt Series A-3 Commercial Paper Notes, the "Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes" and together with the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes and the Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes, the "Tax-Exempt/Taxable Commercial Paper Notes").

BMO Harris Bank N.A. (the "Tax-Exempt Series A-1/Taxable Series B-1 Bank") will extend its irrevocable direct-pay letter of credit (as so extended and as it may be further amended from time to time, the "Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit") which may be drawn upon from time to time in respect of the principal and actual interest accrued on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes.

Bank of America, N.A. (the "Tax-Exempt Series A-2/Taxable Series B-2 Bank") will extend its irrevocable letter of credit (as so extended and amended and as it may be further amended from time to time, the "Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit") which may be drawn upon from time to time in respect of the principal and actual interest accrued on the Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes.

U.S. Bank National Association (the "Tax-Exempt Series A-3/Taxable Series B-3 Bank" and collectively with the Tax-Exempt Series A-1/Taxable Series B-1 Bank and the Tax-Exempt Series A-2/Taxable Series B-2 Bank, the "Banks" and individually, a "Bank") will extend its irrevocable letter of credit (as so extended and as it may be further amended from time to time, the "Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit" and collectively with the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and the Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit, the "Letters of Credit" and individually, a "Letter of Credit") which may be drawn upon from time to time in respect of the principal and actual interest accrued on the Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes.

**BofA Merrill Lynch**

**Ramirez & Co., Inc.**  
**As Dealers**

**US Bancorp**

Timely payment of the principal and actual interest accrued on the Commercial Paper Notes is dependent upon the availability of proceeds of drawings under the applicable Letter of Credit, and accordingly, this Offering Memorandum does not contain information relating to the ability of the City to make Base Rental (as defined herein) payments.

**The investment decision to purchase the Tax-Exempt/Taxable Commercial Paper Notes should be made solely on the basis of the creditworthiness of the related Bank that has issued the applicable Letter of Credit from which will be paid all principal of and interest on such Tax-Exempt/Taxable Commercial Paper Notes, rather than the City.** Prospective investors should not rely on any source other than proceeds of drawings under the applicable Letter of Credit to pay the principal and actual interest accrued on such Tax-Exempt/Taxable Commercial Paper Notes. If, for any reason, the related Bank fails to honor a properly presented and conforming drawing under the applicable Letter of Credit, the principal and actual interest accrued on such Tax-Exempt/Taxable Commercial Paper Notes may not be paid when due, and the City would have no obligation to make any payments with respect to such Tax-Exempt/Taxable Commercial Paper Notes apart from the City's obligation to make Base Rental (as defined herein) payments as and when due, as more particularly described herein. The ratings assigned to such Tax-Exempt/Taxable Commercial Paper Notes are based on the creditworthiness of the related Bank. See "RATINGS" herein.

Certain legal matters in connection with the authorization and issuance of the Tax-Exempt/Taxable Commercial Paper Notes are subject to the approval of Hawkins Delafield & Wood LLP, Los Angeles, California, Note Counsel. Certain legal matters will be passed upon for the Corporation and the City by Nixon Peabody LLP, San Francisco, California, Special Tax Counsel. Certain legal matters will be passed on by Hawkins Delafield & Wood LLP, Los Angeles, California, as disclosure counsel to the City, and for the City and the Corporation by Michael N. Feuer, City Attorney. Certain legal matters relating to the Letters of Credit and the Reimbursement Agreements will be passed upon for the Banks by Chapman and Cutler LLP, Chicago, Illinois, Special Counsel to the Banks. KNN Public Finance, LLC, Oakland, California, and Montague DeRose and Associates, LLC, Westlake Village, California, are serving as Co-Financial Advisors to the City in connection with the authorization and issuance of the Tax-Exempt/Taxable Commercial Paper Notes.

All references to the documents and other materials are qualified in their entirety by reference to the complete provisions of the documents and other materials referenced. The Dealers have provided the following sentence for inclusion in this Offering Memorandum. The Dealers have reviewed the information in this Offering Memorandum in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Dealers do not guarantee the accuracy or completeness of such information. A wide variety of other information, including financial information, concerning the City of Los Angeles (the "City"), is available from publications and websites of the City, the County of Los Angeles and others. Any such information that is inconsistent with the information set forth in this Offering Memorandum should be disregarded. No such information is a part of or incorporated into this Offering Memorandum, except as expressly noted.

The information and expressions of opinion in this Offering Memorandum shall not otherwise create any implication that there has been no change in the matters referred to in this Offering Memorandum since June [ ], 2022. Neither the information nor any opinion contained or expressed herein constitutes a solicitation by the Dealers of the purchase or sale of any instruments. The information contained herein will not typically be distributed or updated upon each new sale of any Tax-Exempt/Taxable Commercial Paper Notes, although such information will be distributed from time to time. Further, the information herein is not intended as substitution for the investors' own inquiry into the creditworthiness of any Bank, and investors are encouraged to make such inquiry.

No dealer, broker, salesperson or other person has been authorized by the Dealers, the Corporation or the City to give any information or to make any representations other than those contained herein, and if given or made, such other information or representation must not be relied upon as having been authorized by the Dealers, the Corporation or the City.

The information relating to the Banks set forth under the heading "LETTER OF CREDIT BANKS," other than the introductory paragraph thereunder, has been provided by the Banks and has not been independently confirmed or verified by the Dealers, the Corporation or the City. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date.

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Tax-Exempt/Taxable Commercial Paper Notes by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale. This Offering Memorandum is not to be construed as a contract with the purchasers of the Tax-Exempt/Taxable Commercial Paper Notes. Statements contained in this Offering Memorandum which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

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## THE COMMERCIAL PAPER NOTES

### General

The Municipal Improvement Corporation of Los Angeles (the “Corporation”) has entered into a Fourth Amended and Restated Trust Agreement, dated as of June 1, 2019, to be amended by a First Amendment to Fourth Amended and Restated Trust Agreement, dated as of June 1, 2022 (as so amended and as it may be further amended and supplemented from time to time, the “Trust Agreement”), each with the City of Los Angeles (the “City”) and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), and has entered into a Fourth Amended and Restated Issuing and Paying Agent Agreement, dated as of June 1, 2019 (as amended and supplemented from time to time, the “Issuing and Paying Agent Agreement”), with the City and U.S. Bank Trust Company, National Association, as successor issuing and paying agent (the “Issuing and Paying Agent”), pursuant to which the Corporation is authorized to issue its Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-1 (the “Tax-Exempt Series A-1 Commercial Paper Notes”) and Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Taxable Series B-1 (the “Taxable Series B-1 Commercial Paper Notes” and together with the Tax-Exempt Series A-1 Commercial Paper Notes, the “Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes”) in a maximum aggregate principal amount of \$150,000,000, its Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-2 (the “Tax-Exempt Series A-2 Commercial Paper Notes”) and Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Taxable Series B-2 (the “Taxable Series B-2 Commercial Paper Notes” and together with the Tax-Exempt Series A-2 Commercial Paper Notes, the “Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes”) in a maximum aggregate principal amount of \$100,000,000, and its Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-3 (the “Tax-Exempt Series A-3 Commercial Paper Notes”) and Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Taxable Series B-3 (the “Taxable Series B-3 Commercial Paper Notes” and together with the Tax-Exempt Series A-3 Commercial Paper Notes, the “Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes”) in a maximum aggregate principal amount of \$175,000,000, and from time to time, any other Series or Subseries of Commercial Paper Notes designated under a Supplemental Trust Agreement (collectively, the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, the Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes and the Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes are referred to herein as the “Tax-Exempt/Taxable Commercial Paper Notes” and together with any other Series or Subseries of Commercial Paper Notes designated under a supplemental trust agreement, are referred to herein as the “Commercial Paper Notes”) for the purpose of providing moneys, among other things (i) to finance or refinance the costs of working capital, the acquisition, financing and refinancing of capital equipment and the acquisition, construction, development, financing and refinancing of capital facilities and improvements thereto, capital expenditures and extraordinary costs, and includes, without limitation, such other costs, whether or not specified herein, as may be necessary or incidental to the acquisition, construction, development, financing or refinancing of such capital facilities and any improvements thereto and the placing of the same in operation, and such other costs and expenses for changes, alterations and additions to such capital facilities requested by the Corporation or the City, (ii) to pay Commercial Paper Notes (and interest thereon), directly or indirectly, issued pursuant to the provisions hereof, including without limitation, to fund capitalized interest on the Notes; and (iii) to pay costs incurred in connection with the issuance, sale and delivery of the Commercial Paper Notes from time to time, including without limitation to fund Capitalized Fees and Expenses. Such other Series or Subseries of Commercial Paper Notes designated under a Supplemental Trust Agreement are not being sold pursuant to this Offering Memorandum.

Principal of and interest on the Commercial Paper Notes shall be payable at maturity in lawful money of the United States of America in immediately available funds at the designated corporate trust office of the Issuing and Paying Agent to the Owner (as defined below) thereof.

BMO Harris Bank N.A. (the “Tax-Exempt Series A-1/Taxable Series B-1 Bank”) will extend its irrevocable direct-pay letter of credit (as so extended and as it may be further amended from time to time, the “Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019, to be amended by the First Amendment to Letter of Credit and Reimbursement Agreement, dated June [8], 2022 (as so amended and as it may be further amended and supplemented from time to time, the “Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement”), each by and among the Corporation, the City and the Tax-Exempt Series A-1/Taxable Series B-1 Bank. The Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit may be drawn upon from time to time in respect of the principal and accrued interest on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes payable upon their maturity.

Bank of America, N.A. (the “Tax-Exempt Series A-2/Taxable Series B-2 Bank”) will extend its irrevocable direct-pay letter of credit (as so extended and as it may be further amended from time to time, the “Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit”) pursuant to the Amended and Restated Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019, to be amended by the First Amendment to Amended and Restated Letter of Credit and Reimbursement Agreement, dated June [8], 2022 (as so amended and as it may be further amended and supplemented from time to time, the “Tax-Exempt Series A-2/Taxable Series B-2 Reimbursement Agreement”), each by and among the Corporation, the City and the Tax-Exempt Series A-2/Taxable Series B-2 Bank. The Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit may be drawn upon from time to time in respect of the principal and accrued interest on the Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes payable upon their maturity.

U.S. Bank National Association (the “Tax-Exempt Series A-3/Taxable Series B-3 Bank” and collectively with the Tax-Exempt Series A-1/Taxable Series B-1 Bank and the Tax-Exempt Series A-2/Taxable Series B-2 Bank, the “Banks” and individually, a “Bank”) will extend its irrevocable direct-pay letter of credit (as so extended and as it may be further amended from time to time, the “Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit” and collectively with the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and the Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit, the “Letters of Credit” and individually, a “Letter of Credit”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019, to be amended by the First Amendment to Letter of Credit and Reimbursement Agreement, dated June [8], 2022 (as so amended and as it may be further amended and supplemented from time to time, the “Tax-Exempt Series A-3/Taxable Series B-3 Reimbursement Agreement” and collectively with the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement and the Tax-Exempt Series A-2/Taxable Series B-2 Reimbursement Agreement, the “Reimbursement Agreements” and individually, a “Reimbursement Agreement”), each by and among the Corporation, the City and the Tax-Exempt Series A-3/Taxable Series B-3 Bank. The Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit may be drawn upon from time to time in respect of the principal and accrued interest on the Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes payable upon their maturity.

Timely payment of the principal and actual interest accrued on the Commercial Paper Notes is dependent upon the availability of proceeds of drawings under the applicable Letter of Credit, and accordingly, this Offering Memorandum does not contain information relating to the ability of the City to make Base Rental (as defined herein) payments.



**The investment decision to purchase the Tax-Exempt/Taxable Commercial Paper Notes should be made solely on the basis of the creditworthiness of the related Bank that has issued the applicable Letter of Credit from which will be paid all principal of and interest on such Tax-Exempt/Taxable Commercial Paper Notes, rather than the City.** Prospective investors should not rely on any source other than proceeds of drawings under the applicable Letter of Credit to pay the principal and actual interest accrued on such Tax-Exempt/Taxable Commercial Paper Notes. If, for any reason, the related Bank fails to honor a properly presented and conforming drawing under the applicable Letter of Credit, the principal and actual interest accrued on such Tax-Exempt/Taxable Commercial Paper Notes may not be paid when due, and the City would have no obligation to make any payments with respect to such Tax-Exempt/Taxable Commercial Paper Notes apart from the City's obligation to make Base Rental (as defined herein) payments as and when due, as more particularly described herein. The ratings assigned to such Tax-Exempt/Taxable Commercial Paper Notes are based on the creditworthiness of the related Bank. See "RATINGS" herein.

Principal of and interest on the Commercial Paper Notes are payable from the proceeds of Commercial Paper Notes issued to pay such principal and interest and are also payable from Base Rental Payments to be made by the City pursuant to an Amended and Restated Sublease, dated as of June 1, 2019, to be amended by a First Amendment to Amended and Restated Sublease, dated as of June 1, 2022 (as so amended and as it may be further amended and supplemented from time to time, the "Sublease"), each by and between the Corporation, as sublessor, and the City, as sublessee. See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES." The payment of principal of and interest on the Tax-Exempt/Taxable Commercial Paper Notes is further supported by the applicable Letter of Credit, each of which is a Credit Facility (defined below) under the Trust Agreement. See "LETTERS OF CREDIT." Any other Series or Subseries of Commercial Paper Notes designated under a Supplemental Trust Agreement will be supported by a separate irrevocable letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility.

The Tax-Exempt/Taxable Commercial Paper Notes are authorized in a maximum aggregate principal amount outstanding at any one time of up to \$425,000,000. Under the Trust Agreement, the Corporation may on any date, upon compliance with the terms of the Trust Agreement, execute and the Issuing and Paying Agent shall authenticate and, at the request of the Corporation, shall deliver a Subseries of Commercial Paper Notes, (a) the aggregate principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of which, together with the aggregate principal amount (or face amount in the case of any other Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of any other Subseries of Commercial Paper Notes Outstanding immediately after such issuance that are supported by the same Credit Facility, plus interest accrued or to accrue on all such Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility that are not issued at a discount to the stated maturity thereof, will not exceed the amount then available to be drawn under the applicable Credit Facility and (b) the aggregate principal amount (or face amount in the case of Series B Commercial Paper Notes issued at a discount) of which, together with the aggregate principal amount of all Outstanding Commercial Paper Notes plus the amount of any Advances then outstanding under the Revolving Notes, will not exceed the Maximum Principal Amount calculated as of such date. The Commercial Paper Notes may be issued and sold and delivered from time to time in such principal amounts as determined by a Corporation Representative in authorized denominations of \$100,000 and integral multiples of \$1,000 in excess thereof and in book-entry form through the book-entry system of The Depository Trust Company, New York, New York ("DTC") as described below. The Commercial Paper Notes shall bear interest at a rate not in excess of 10% per annum. Interest on the Commercial Paper Notes is payable on their respective maturity dates. The Commercial Paper Notes shall mature not more than 270 days after the date of issuance, and in no event later than five days prior to the stated expiration or termination date of the applicable Credit Facility, unless the Corporation shall have arranged

for an Alternate Credit Facility with respect to such Subseries of the Commercial Paper Notes. The Commercial Paper Notes shall not be subject to redemption prior to maturity. The Commercial Paper Notes herein authorized shall be dated as of their date of issuance and shall bear interest at such rate or rates per annum computed on the basis of actual days elapsed and on a 365-day or 366-day year, whichever is applicable, as may be determined by a Corporation Representative or, upon the written direction of a Corporation Representative or the applicable Dealer; provided, however, that in no event shall the interest rate or effective yield to maturity exceed the Maximum Interest Rate. The Commercial Paper Notes may be sold in such manner at public or private sale and at par or, solely with respect to Series B Commercial Paper Notes, at a discount as a Corporation Representative shall approve at the time of the sale thereof. Series A Commercial Paper Notes shall be interest bearing (and not issued and sold at a discount). Series B Commercial Paper Notes may be issued and sold at a discount or may be interest bearing.

As used herein, the following terms shall have the meanings set forth below:

“Advance” means, with respect to a Subseries of Commercial Paper Notes, each advance or loan (whether a revolving loan or term loan) of funds made under and/or subject to the provisions contained in the applicable Credit Facility and the applicable Reimbursement Agreement with respect to such Subseries of Commercial Paper Notes.

“Alternate Credit Facility” means, with respect to a Subseries of Commercial Paper Notes, an irrevocable letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by an Alternate Bank to facilitate the timely payment of the principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of and accrued interest due and payable at the stated maturity of such Subseries of Commercial Paper Notes in accordance with the provisions of the Trust Agreement, as such alternate credit facility may be amended or supplemented from time to time.

“Bank” or “related Bank” or “Banks” means, individually and collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, the Tax-Exempt Series A-1/Taxable Series B-1 Bank or upon delivery of an Alternate Credit Facility with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, any Alternate Bank issuing an Alternate Credit Facility with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes; (ii) with respect to the Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes, the Tax Exempt Series A-2/Taxable Series B-2 Bank, or upon delivery of an Alternate Credit Facility with respect to the Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes, any Alternate Bank issuing an Alternate Credit Facility with respect to the Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes; (iii) with respect to the Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes, the Tax Exempt Series A-3/Taxable Series B-3 Bank, or upon delivery of an Alternate Credit Facility with respect to the Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes, any Alternate Bank issuing an Alternate Credit Facility with respect to the Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes; and (iv) with respect to one or more Subseries of Commercial Paper Notes, a provider or providers of a Credit Facility with respect to such Subseries of Commercial Paper Notes, or upon delivery of an Alternate Credit Facility with respect to such Subseries of Commercial Paper Notes, any Alternate Bank issuing an Alternate Credit Facility with respect to such Subseries of Commercial Paper Notes.

“Commercial Paper Notes” means, collectively, the Series A-1 Commercial Paper Notes, the Series A-2 Commercial Paper Notes, the Series A-3 Commercial Paper Notes, the Series B-1 Commercial Paper Notes, the Series B-2 Commercial Paper Notes, the Series B-3 Commercial Paper Notes and any other Series or Subseries of Commercial Paper Notes designated under a Supplemental Trust Agreement.

“Credit Facility” or “applicable Credit Facility” or “Credit Facilities” means, individually and collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and, upon the issuance of any Alternate Credit Facility, such Alternate Credit Facility; (ii) with respect to the Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes, the Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit and, upon the issuance of any Alternate Credit Facility, such Alternate Credit Facility; (iii) with respect to the Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes, the Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit and, upon the issuance of any Alternate Credit Facility, such Alternate Credit Facility; and (iv) with respect to one or more Subseries of Commercial Paper Notes, an irrevocable direct-pay letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by a provider or providers to facilitate the timely payment of the principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of and accrued interest due and payable at the stated maturity of such Subseries of Commercial Paper Notes, including any amendments thereto and, upon the issuance of any Alternate Credit Facility with respect to such Subseries of Commercial Paper Notes, such Alternate Credit Facility.

“Depository” means The Depository Trust Company, New York, New York, and its successors and assigns, or if (a) the Depository resigns from its functions as securities depository of the Commercial Paper Notes, or (b) the Corporation discontinues use of the Depository pursuant to the Trust Agreement, any other securities depository which agrees to follow procedures required to be followed by a securities depository in connection with the Commercial Paper Notes and which is selected by the Corporation with the consent of the Trustee.

“Funding Commitment” means, with respect to a Bank, the then available stated amount of its respective Credit Facility plus the principal amount of Advances evidenced by its Revolving Note.

“Maximum Interest Rate” means, with respect to the Commercial Paper Notes, 10% per annum.

“Maximum Principal Amount” means, as of any date of calculation, the amount set forth in Exhibit B to the Sublease as the Maximum Principal Amount for the Base Rental Period during which such date of calculation occurs, or, if less, the greatest principal amount of Commercial Paper Notes plus the amount of any Advances outstanding under the Revolving Notes which, if it bore interest at the Maximum Interest Rate and principal and such interest were payable annually as provided in the Sublease (commencing on the first day of the first Base Rental Period to commence after the date of calculation), could be fully retired from amounts then payable by the City as Maximum Base Rental (as adjusted pursuant to the Sublease) during the remaining term of the Sublease.

“New Tier Two Termination Date” with respect to a Subseries of the Commercial Paper Notes means a date not sooner than the earlier of (a) the 15th day following receipt of the New Tier Two Termination Notice or (b) the original Tier Two Termination Date.

“New Tier Two Termination Notice” with respect to a Subseries of the Commercial Paper Notes means a written notice from the related Bank to the Corporation, the City and the Issuing and Paying Agent not to authenticate and deliver any additional Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility with a stated maturity date later than the New Tier Two Termination Date and instructing the Issuing and Paying Agent to make the final drawing under the applicable Credit Facility on the New Tier Two Termination Date and notifying the Issuing and Paying Agent of the termination of such Credit Facility on the New Tier Two Termination Date.

“Nominee” means Cede & Co. or such other nominee of the Depository (which may be the Depository) as determined from time to time pursuant hereto.

“Note” means any Commercial Paper Note or any Revolving Note, and “Notes” means the Commercial Paper Notes and the Revolving Notes.

“Outstanding” means, when used as of any particular time with respect to any Commercial Paper Notes, as the context requires, such Commercial Paper Notes theretofore issued by the Corporation under the Trust Agreement, except: (a) Commercial Paper Notes theretofore cancelled or delivered to the Issuing and Paying Agent for cancellation and, in all cases, with the intent to extinguish the debt represented thereby; and (b) Commercial Paper Notes in lieu of, or in substitution for, which other Commercial Paper Notes have been issued and delivered under the Trust Agreement; and (c) Commercial Paper Notes with respect to which all liability of the Corporation shall have been discharged in accordance with the Trust Agreement.

“Owner” whenever used with respect to a Commercial Paper Note, means the Person in whose name such Commercial Paper Note is registered or if such Commercial Paper Note is not in registered form, the Person who is the bearer thereof; provided, that so long as any Master Note is issued and outstanding, then, with respect to the Commercial Paper Notes, it means the Depository or its Nominee.

“Pro Rata Basis” means, as between Subseries of the Commercial Paper Notes, allocated among Subseries based on each such Subseries Pro Rata Share.

“Pro Rata Share” means, with respect to a Subseries of the Commercial Paper Notes, a portion equal to a fraction the numerator of which is the aggregate principal amount of such Subseries of the Commercial Paper Notes Outstanding at such time and/or the aggregate principal amount of outstanding Advances evidenced by the related Revolving Notes, as applicable, and the denominator of which is the aggregate principal amount of all Commercial Paper Notes Outstanding at such time and/or the aggregate principal amount of outstanding Advances evidenced by all Revolving Notes, as applicable.

“Reimbursement Agreement” or “applicable Reimbursement Agreement” or “Reimbursement Agreements” means, individually and collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes and the related Revolving Note, the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement, together with any related fee letter agreement, by and among the Corporation, the City and the Tax-Exempt Series A-1/Taxable Series B-1 Bank, as the same may be amended, supplemented or otherwise modified from time to time or other agreement executed from time to time in connection with the delivery of an Alternate Credit Facility with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes; (ii) with respect to the Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes and the related Revolving Note, the Tax-Exempt Series A-2/Taxable Series B-2 Reimbursement Agreement, together with any related fee letter agreement, by and among the Corporation, the City and the Tax-Exempt Series A-2/Taxable Series B-2 Bank, as the same may be amended, supplemented or otherwise modified from time to time or other agreement executed from time to time in connection with the delivery of an Alternate Credit Facility with respect to the Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes; (iii) with respect to the Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes and the related Revolving Note, the Tax-Exempt Series A-3/Taxable Series B-3 Reimbursement Agreement, together with any related fee letter agreement, by and among the Corporation, the City and the Tax-Exempt Series A-3/Taxable Series B-3 Bank, as the same may be amended, supplemented or otherwise modified from time to time or other agreement executed from time to time in connection with the delivery of an Alternate Credit Facility with respect to the Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes; and (iv) with respect to one or more Subseries of Commercial Paper Notes and the related

Revolving Note, that certain Letter of Credit and Reimbursement Agreement, together with any related fee letter agreement, each by and among the Corporation, the City and the provider or providers of a Credit Facility with respect to such Subseries of Commercial Paper Notes, as the same may be amended, supplemented or otherwise modified from time to time or other agreement executed from time to time in connection with the delivery of an Alternate Credit Facility with respect to such Subseries of the Commercial Paper Notes.

“Revolving Note” or “related Revolving Note” or “Revolving Notes” means, individually and collectively, as applicable, with respect to a Subseries of the Commercial Paper Notes, any promissory note or promissory notes issued pursuant to the provisions of the Trust Agreement and the applicable Reimbursement Agreement in evidence of Advances made by the related Bank under the applicable Reimbursement Agreement, having the terms and characteristics contained therein and issued in accordance therewith.

“Series A Commercial Paper Notes” means, collectively, all Subseries of the Series A Commercial Paper Notes, including but not limited to the Tax-Exempt Series A-1 Commercial Paper Notes, the Tax-Exempt Series A-2 Commercial Paper Notes and the Tax-Exempt Series A-3 Commercial Paper Notes.

“Series B Commercial Paper Notes” means, collectively, all Subseries of the Series B Commercial Paper Notes, including but not limited to the Taxable Series B-1 Commercial Paper Notes, the Taxable Series B-2 Commercial Paper Notes and the Taxable Series B-3 Commercial Paper Notes.

“Tier One Stop Issuance Instruction” with respect to a Subseries of the Commercial Paper Notes means a written instruction from the related Bank to the Corporation, the City and the Issuing and Paying Agent not to authenticate and deliver any additional Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility.

“Tier One Final Drawing Notice” with respect to a Subseries of the Commercial Paper Notes means a written notice from the related Bank to the Corporation, the City and the Issuing and Paying Agent not to authenticate and deliver any additional Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility and instructing the Issuing and Paying Agent to make the final drawing under the applicable Credit Facility and notifying the Issuing and Paying Agent of the termination date of such Credit Facility.

“Tier Two Termination Date” with respect to a Subseries of the Commercial Paper Notes means the 120th day following receipt of the Tier Two Termination Notice.

“Tier Two Termination Notice” with respect to a Subseries of the Commercial Paper Notes means a written notice from the related Bank to the Corporation, the City and the Issuing and Paying Agent not to authenticate and deliver any additional Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility with a stated maturity date later than the Tier Two Termination Date and instructing the Issuing and Paying Agent to make the final drawing under the applicable Credit Facility on the Tier Two Termination Date and notifying the Issuing and Paying Agent of the termination of such Credit Facility on the Tier Two Termination Date.

All capitalized terms herein that are not otherwise defined shall have the meanings agreed thereto in the Trust Agreement, the Sublease, the Site Lease, the Letters of Credit and the Reimbursement Agreements, as applicable.

*Limitation on Issuance.* Pursuant to the Trust Agreement, the Corporation has covenanted and agreed that it shall not issue any Commercial Paper Notes with a maturity later than five days prior to the stated expiration or termination date of the applicable Credit Facility unless the Corporation shall have arranged for an Alternate Credit Facility pursuant to the provision of the Trust Agreement described below.

*Maintenance of Credit Facilities.* Pursuant to the Trust Agreement, the Corporation has covenanted and agreed that at all times while Commercial Paper Notes remain Outstanding, it will maintain a Credit Facility with respect to each Subseries of the Commercial Paper Notes in amounts such that, assuming that all then Outstanding Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility were to become due and payable immediately, the amount available for borrowing under the applicable Credit Facility would be sufficient to pay the principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of and accrued interest due and payable at the stated maturity of all such Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility; *provided, however,* that the Corporation may in accordance with the terms of the applicable Reimbursement Agreement replace such Credit Facility with an Alternate Credit Facility on any date that all Outstanding Commercial Paper Notes of the applicable Subseries supported by such Credit Facility mature upon five (5) days prior written notice to the applicable Dealers, the Trustee and the Issuing and Paying Agent (such notice to the Trustee including a written direction from the Corporation to the Trustee to immediately disseminate notice of the replacement of such Credit Facility to the Owners of Outstanding Commercial Paper Notes of the applicable Subseries supported by such Credit Facility) and the Issuing and Paying Agent shall draw on the Credit Facility being replaced (and not upon any Alternate Credit Facility replacing such Credit Facility) as needed to pay the principal of and accrued interest on all Outstanding Commercial Paper Notes of the applicable Subseries supported by such Credit Facility maturing on such date; *and, provided further however,* that in the event that any of the Banks has notified the Corporation that an Interbank Agreement is in effect at the time a Credit Facility is replaced with an Alternate Credit Facility or a Credit Facility is provided for a new Subseries of the Commercial Paper Notes, the effectiveness of such replacement or new Credit Facility shall be subject to delivery by the Corporation of evidence that the Bank providing such Alternate Credit Facility or new Credit Facility, as the case may be, is or will become a party to such Interbank Agreement by means of joinder prior to, or contemporaneously with, the effectiveness of such replacement or new Credit Facility. Each Bank (including the Bank providing an Alternate Credit Facility or new Credit Facility, as the case may be), promptly upon the request of the Corporation, shall provide evidence to the Corporation that such Bank is (or in the case of the Bank providing an Alternate Credit Facility or new Credit Facility, as the case may be, will be prior to, or contemporaneously with, the effectiveness of such replacement or new Credit Facility) a party to the Interbank Agreement then in effect. No Commercial Paper Note shall be issued if, immediately after the issuance thereof and the application of any proceeds thereof to reimburse the related Bank for any Advances made to retire other Commercial Paper Notes supported by such Credit Facility, the aggregate principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of and accrued interest due and payable at the stated maturity of all Commercial Paper Notes of the applicable Subseries supported by such Credit Facility would exceed the amount then available to be drawn under such Credit Facility. In furtherance of the foregoing covenant, the Corporation has covenanted and agreed that it will not issue any Commercial Paper Notes or make any borrowing which will result in a violation of such covenant, will not amend any Credit Facility in a manner which will cause a violation of such covenant and, if and to the extent necessary to maintain compliance with such covenant, will arrange for an Alternate Credit Facility prior to, or contemporaneously with, the expiration of any Credit Facility.

*Issuance and Sale of Commercial Paper Notes.* At any time after the execution of the Trust Agreement, the Corporation may determine to issue Commercial Paper Notes. Commercial Paper Notes

of a Subseries issued for the purpose of funding a Project shall be issued in accordance with written instructions of a Corporation Representative, substantially in the form attached to the Trust Agreement, delivered to the Issuing and Paying Agent by facsimile (or may be given telephonically or by e-mail with confirmation of receipt). Said instructions: (a) shall specify such principal amounts, dates of issue, purchase price, maturities, rates of interest and other terms and conditions which are hereby authorized and permitted to be fixed by a Corporation Representative at the time of sale of such Commercial Paper Notes; provided that Series A Commercial Paper Notes shall only be issued as interest bearing (and not issued and sold at a discount); (b) so long as the Corporation uses the book-entry system with respect to the Commercial Paper Notes, shall include a request to the Issuing and Paying Agent to debit the purchaser's account at the Depository against credit to the Issuing and Paying Agent's account at the Depository which purchase shall then be recorded on the books and records of the Issuing and Paying Agent maintained with respect to each Master Note; (c) if the Corporation is no longer using the book-entry system with respect to the Commercial Paper Notes, shall include a request that the Issuing and Paying Agent authenticate such Commercial Paper Notes by countersignature of its authorized officer or employee and deliver them to the named purchaser or purchasers thereof upon receipt of payment in accordance with the custom then prevailing in the New York financial market in regard to such Commercial Paper Notes, and the rules of the New York Clearinghouse shall apply thereto; (d) shall contain provisions representing that all action on the part of the Corporation necessary for the valid issuance of such Commercial Paper Notes then to be issued has been taken, that all provisions of California law necessary for the valid issuance of such Commercial Paper Notes with provision for interest exemption from California personal income taxation have been complied with, that all provisions of federal law for the valid issuance of such Commercial Paper Notes with provision for the exclusion of interest on any Series A Commercial Paper Notes from gross income for federal income tax purposes have been complied with, and that such Commercial Paper Notes in the possession of the Owners thereof will be valid and enforceable obligations of the Corporation according to their terms, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted; and (e) shall also certify that:

(i) each of the following conditions has been satisfied:

(A) a Dealer Agreement or Dealer Agreements shall be in full force and effect providing for the marketing of all such Commercial Paper Notes Outstanding immediately upon such issuance;

(B) the interest rate on such Commercial Paper Notes shall not exceed the Maximum Interest Rate;

(C) a Credit Facility or Credit Facilities shall be in full force and effect with respect to such Commercial Paper Notes and any other Subseries of Commercial Paper Notes Outstanding immediately after such issuance that are supported by the same Credit Facility in an amount sufficient to pay the aggregate principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of all such Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility Outstanding immediately after such issuance, and interest accrued or to accrue on all such Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility Outstanding that are not issued at a discount through the maturity dates thereof;

(D) (I) the Corporation shall have received an opinion from Note Counsel that such Commercial Paper Notes, when issued from time to time as provided in the

Trust Agreement and the Issuing and Paying Agent Agreement, will constitute the valid and binding limited obligations of the Corporation and shall not have received advice from Note Counsel subsequent to the issuance of such opinion to the contrary, (II) in the case of Series B Commercial Paper Notes, the Corporation shall have received an opinion from Note Counsel that the interest on such Commercial Paper Notes, when issued from time to time, will be exempt from California personal income tax and shall not have received advice from Note Counsel subsequent to the issuance of such opinion to the contrary; and (III) in the case of Series A Commercial Paper Notes, the Corporation shall have received an opinion from Note Counsel that interest on such Series A Commercial Paper Notes proposed to be issued will be exempt from California personal income tax and will be excluded from gross income for federal income tax purposes and shall not have received advice from Note Counsel subsequent to the issuance of such opinion to the contrary;

(E) the aggregate principal amount (or face amount in the case of Series B Commercial Paper Notes issued at a discount) of which, together with the aggregate principal amount of all Outstanding Commercial Paper Notes plus the amount of any Advances then outstanding under the Revolving Notes, immediately after the issuance of such Commercial Paper Notes, shall not exceed the Maximum Principal Amount calculated as of the date of such issuance;

(F) if the issuance of such Commercial Paper Notes is for a purpose other than to pay the principal of and interest on maturing Commercial Paper Notes (or to reimburse the related Bank for Advances made to pay such amounts), the Corporation shall have issued to the City a Debt Service Certificate — Additional Commercial Paper Notes reflecting the issuance of such Commercial Paper Notes and the City shall have complied with the provisions of the Sublease with respect to the related Minimum Supplemental Rental Payment or the alternative to payment of such Minimum Supplemental Rental Payment; and

(G) the Corporation, the City and the Issuing and Paying Agent shall not have received a Tier One Stop Issuance Instruction or Tier One Final Drawing Notice with respect to such Subseries of the Commercial Paper Notes from the related Bank. If such notice is received, the Issuing and Paying Agent may only resume issuing such Commercial Paper Notes of such Subseries if it has received notice from the related Bank that the Tier One Stop Issuance Instruction has been rescinded in writing and the Issuing and Paying Agent may resume delivering such Commercial Paper Notes of such Subseries;

(ii) no Event of Default under the Trust Agreement has occurred and is continuing as of the date of such instructions;

(iii) the Corporation has full power and authority to perform its duties and obligations with respect to the Notes and the applicable Reimbursement Agreement;

(iv) the Corporation is in compliance with its covenants set forth in the Trust Agreement as of the date of such instructions; and

(v) the principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of and accrued interest due and payable at the stated maturity of Commercial Paper Notes of such Subseries to be Outstanding as of the



date of such issuance and the principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of and accrued interest due and payable at the stated maturity of any other Subseries of Commercial Paper Notes to be Outstanding as of the date of such issuance supported by the same Credit Facility does not exceed the amount then available to be drawn under the applicable Credit Facility.

With respect to Commercial Paper Notes issued to pay the principal of and interest on maturing Commercial Paper Notes (or to reimburse the related Bank for Advances made to pay such amounts), unless the Corporation notifies the Dealer and the Issuing and Paying Agent to the contrary in writing, the Corporation pursuant to the Trust Agreement will authorize and direct the applicable Dealer to direct the Issuing and Paying Agent to issue Commercial Paper Notes in an amount equal to the principal of and interest on maturing Commercial Paper Notes of the applicable Subseries, and, in connection therewith, to provide the Issuing and Paying Agent with the necessary information required in clause (a) above. In such event, the Corporation will be deemed to be in compliance with the requirements of clause (e) above (other than clause (e)(i)(F)) unless the Corporation has given notice to the Issuing and Paying Agent that it is not in compliance with those requirements.

THE COMMERCIAL PAPER NOTES ARE SPECIAL OBLIGATIONS OF THE CORPORATION PAYABLE SOLELY FROM THE AMOUNTS PLEDGED THEREFOR IN THE TRUST AGREEMENT, INCLUDING BASE RENTAL PAYMENTS MADE BY THE CITY PURSUANT TO THE SUBLEASE AND AMOUNTS HELD BY THE TRUSTEE AND THE ISSUING AND PAYING AGENT IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TRUST AGREEMENT. THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE SUBLEASE, NEITHER THE NOTES NOR THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE CORPORATION HAS NO TAXING POWER AND NO OBLIGATION TO PAY BASE RENTAL. UNDER CERTAIN CIRCUMSTANCES, BASE RENTAL PAYMENTS MAY BE ABATED UNDER THE SUBLEASE.

### **Defeasance**

If, when all or any portion of the Commercial Paper Notes shall have become due and payable in accordance with their terms or otherwise as provided in the Trust Agreement, the entire principal and interest so due and payable upon said Commercial Paper Notes shall be paid, or if at or prior to the date said Commercial Paper Notes have become due and payable, sufficient moneys or noncallable, nonprepayable, direct obligations of, or obligations guaranteed by, the United States of America, the principal of and interest on which will provide sufficient moneys for such payment, as verified by a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay said Commercial Paper Notes in full on the dates that principal of and interest on said Commercial Paper Notes is due, shall be held in trust by the Trustee or the Corporation and provision shall also be made for paying all other sums payable under the Trust Agreement by the Trustee or the Corporation with respect to said Commercial Paper Notes, the pledge created in the Trust Agreement with respect to said Commercial Paper Notes shall thereupon cease, terminate and become discharged and said Commercial Paper Notes shall no longer be deemed Outstanding for purposes of the Trust Agreement and all the provisions of the Trust Agreement, including all covenants, agreements, liens and pledges made therein, shall be deemed duly discharged, satisfied and released with respect to said Commercial Paper Notes; provided, however, that any such defeasance shall be subject to delivery by the

Corporation of written confirmation from each Rating Agency that such defeasance shall not result in a downgrade or withdrawal of the then current ratings on said Commercial Paper Notes.

## LETTERS OF CREDIT

*The following are summaries of certain provisions of the Letters of Credit and the Reimbursement Agreements. The following summaries do not purport to be full and complete statements of the provisions of the Letters of Credit or the Reimbursement Agreements, which documents should be read in full for a complete understanding of all the terms and provisions thereof. Copies of the Letters of Credit and the Reimbursement Agreements (in their current form) may be obtained from the City.*

In addition to the foregoing, the Corporation has agreed in the Trust Agreement to maintain a Credit Facility with respect to each Subseries of the Commercial Paper Notes while Commercial Paper Notes remain outstanding, provided that the Corporation may replace any Credit Facility on any date that all Outstanding Commercial Paper Notes of the applicable Subseries supported by such Credit Facility mature upon five (5) days prior written notice to the applicable Dealers, the Trustee and the Issuing and Paying Agent (such notice to the Trustee including a written direction from the Corporation to the Trustee to immediately disseminate notice of the replacement of such Credit Facility to the Owners of Outstanding Commercial Paper Notes of the applicable Subseries supported by such Credit Facility) and the Issuing and Paying Agent shall draw on the Credit Facility being replaced (and not upon any Alternate Credit Facility replacing such Credit Facility) as needed to pay the principal of and accrued interest on all Outstanding Commercial Paper Notes of the applicable Subseries supported by such Credit Facility maturing on such date.

### **The Letters of Credit**

*The following is a summary of certain provisions of each applicable Letter of Credit to be issued by the related Bank. These summaries are not to be considered a full statement of the terms of each applicable Letter of Credit and accordingly is qualified by reference thereto and is subject to the full text thereof. Except as otherwise defined herein, capitalized terms used in this Offering Memorandum without definition have the respective meanings set forth in the applicable Letter of Credit.*

At the request and for the account of the Corporation and the City, the Tax-Exempt Series A-1/Taxable Series B-1 Bank has issued and will extend the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit in favor of the Issuing and Paying Agent in the initial stated amount of \$157,500,000, which may be drawn upon from time to time in respect of the principal of and actual interest accrued on maturing Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. At the request and for the account of the Corporation and the City, the Tax-Exempt Series A-2/Taxable Series B-2 Bank has issued and will extend the Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit in favor of the Issuing and Paying Agent in the amended stated amount of \$105,000,000, which may be drawn upon from time to time in respect of the principal of and actual interest accrued on maturing Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes. At the request and for the account of the Corporation and the City, the Tax-Exempt Series A-3/Taxable Series B-3 Bank has issued and will extend the Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit in favor of the Issuing and Paying Agent in the initial stated amount of \$183,750,000, which may be drawn upon from time to time in respect of the principal of and actual interest accrued on maturing Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes.

*For the avoidance of doubt: (i) the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit issued by the Tax-Exempt Series A-1/Taxable Series B-1 Bank will only support the payment of the principal and interest on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes; (ii) the*

*Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit issued by the Tax-Exempt Series A-2/Taxable Series B-2 Bank will only support the payment of the principal and interest on the Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes; and (iii) the Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit issued by the Tax-Exempt Series A-3/Taxable Series B-3 Bank will only support the payment of the principal and interest on the Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes. Each Bank is obligated only for the amount payable under the related Letter of Credit for the related Tax-Exempt/Taxable Commercial Paper Notes and is not obligated to pay any amount payable under any other Letter of Credit or for any Tax-Exempt/Taxable Commercial Paper Notes not supported by such Letter of Credit.*

The stated amount of each Letter of Credit in effect from time to time shall be subject to reductions and reinstatements as set forth in such Letter of Credit. The Issuing and Paying Agent will draw moneys under each Letter of Credit to the extent necessary to pay principal of and interest on Tax-Exempt/Taxable Commercial Paper Notes of the applicable Subseries. Drawings by the Issuing and Paying Agent under each Letter of Credit will reduce the amounts available for subsequent drawings under such Letter of Credit, subject to reinstatement as provided in such Letter of Credit. All drawings under each Letter of Credit will be paid with the related Bank's own immediately available funds and will not be paid directly or indirectly from funds of any other person.

The City and the Corporation may elect to reduce the stated amount of any Letter of Credit from time to time prior to the applicable Stated Expiration Date to an amount not less than the sum of the outstanding principal amount of non-discount Commercial Paper Notes of the applicable Subseries plus interest to accrue thereon to the maturity date thereof and the face amount of all outstanding discount Commercial Paper Notes of the applicable Subseries.

Each Letter of Credit shall expire at 5:00 p.m. New York time on the date (the earliest of such date to occur referred to herein as the applicable "Letter of Credit Termination Date") which is the earliest of (i) June 30, 2025, except as extended pursuant to a notice from the related Bank to the Issuing and Paying Agent (the applicable "Stated Expiration Date"); provided, however, that if such date is not a Business Day, the applicable Stated Expiration Date shall be the next preceding Business Day; (ii) the later of the date on which the related Bank receives a specified written notice from the Issuing and Paying Agent that an Alternate Credit Facility has been substituted for such Letter of Credit in accordance with the Trust Agreement or the effective date of any such Alternate Credit Facility (after the related Bank honors any properly presented and conforming Drawing, if any, on such date), (iii) the date on which the related Bank receives a specified written notice from the Issuing and Paying Agent that there are no longer any Commercial Paper Notes of the applicable Subseries Outstanding within the meaning of the Trust Agreement and that the Issuing and Paying Agent elects to terminate such Letter of Credit, (iv) the earlier of (a) the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date on which the Issuing and Paying Agent receives a specified notice from the related Bank (the "Tier One Final Drawing Notice"), and (b) the date on which the Drawing resulting from the delivery of the Tier One Final Drawing Notice is honored under such Letter of Credit; or (v) the earlier of (a) the 120th day after the date on which the Issuing and Paying Agent receives a Tier Two Termination Notice from the related Bank (the "Tier Two Termination Date") (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a Tier Two Termination Notice that has not been rescinded and has not been superseded by a subsequent New Tier Two Termination Notice relating to a New Tier Two Termination Date (after the related Bank honors any properly presented and conforming Drawing, if any, on such date) and (b) the date specified in a New Tier Two Termination Notice which the Issuing and Paying Agent receives from the related Bank (the "New Tier Two Termination Date") (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a New Tier Two Termination Notice that has not been rescinded (after the related Bank honors any properly presented and conforming Drawing, if any, on such date). The applicable Stated

Expiration Date of such Letter of Credit may be extended as provided in the applicable Reimbursement Agreement and such Letter of Credit.

### **The Reimbursement Agreements**

*General.* The Corporation, the City and each Bank have entered into a Reimbursement Agreement, pursuant to which the applicable Letter of Credit was issued, extended or amended and restated. Among other things, each Reimbursement Agreement provides for (a) the repayment to the related Bank of all draws made under the applicable Letter of Credit, together with specified interest thereon; (b) the payment or reimbursement to the related Bank of certain specified fees, costs and expenses; (c) affirmative and negative covenants to be observed on the part of the Corporation and the City; and (d) certain indemnification obligations on the part of the Corporation and the City.

As used in this section, “Material City Debt” means any Debt (as defined in the applicable Reimbursement Agreement) of the City that is outstanding in a principal amount of \$10,000,000 or more.

As used in this section, “Related Documents” means the Trust Agreement, the applicable Letter of Credit, the applicable Reimbursement Agreement, the fee letter by and among the related Bank, the City and the Corporation relating to the applicable Letter of Credit and the applicable Reimbursement Agreement (the applicable “Fee Letter”), the Commercial Paper Notes of the applicable Subseries, the related Revolving Note, the Issuing and Paying Agent Agreement, this Offering Memorandum, the Site Lease, the Sublease, the Assignment Agreement and the Dealer Agreements.

As used in this section, “Revolving Note” means the Corporation’s revolving note issued to the related Bank pursuant to the applicable Reimbursement Agreement to evidence the indebtedness of the Corporation due and owing to the related Bank under the applicable Reimbursement Agreement with respect to amounts drawn on the applicable Letter of Credit.

*Events of Default.* The occurrence of any of the following events shall be an “Event of Default” under the applicable Reimbursement Agreement:

(a) The Corporation or the City shall fail to pay (i) any and all amounts owing by the Corporation to the related Bank under the applicable Reimbursement Agreement for all amounts drawn under the applicable Letter of Credit, Principal Advances, Term Loans and Default Advances (each, a “Reimbursement Obligation”), or interest thereon as and when due thereunder, subject to the limitations set forth in the applicable Reimbursement Agreement; (ii) any fee set forth in the related Fee Letter as and when due thereunder and the continuance of such failure for a period of three (3) Business Days; or (iii) any other amount payable under the applicable Reimbursement Agreement, the related Fee Letter or under the related Revolving Note and the continuance of such failure for a period of thirty (30) days after written notice thereof;

(b) The Corporation or the City shall default in the performance of certain specified covenants set forth in the applicable Reimbursement Agreement;

(c) The Corporation or the City shall default in the performance of any other material term, covenant or agreement set forth in the applicable Reimbursement Agreement and such failure shall continue for a period of 30 days after written notice thereof shall have been given to the Corporation or the City, as applicable, by the related Bank;

(d) Any representation, warranty, certification or material statement made by the Corporation or the City (or incorporated by reference) in the applicable Reimbursement Agreement or by the

Corporation or the City in any other Related Document or in any certificate, financial statement or other document delivered pursuant to the applicable Reimbursement Agreement or any other Related Document shall prove to have been incorrect in any material respect when made;

(e) The City shall (A) fail to make any payment on any Material City Debt (other than Commercial Paper Notes of the applicable Subseries) or any interest or premium thereon when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material City Debt; or (B) fail to perform or observe any material term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any Material City Debt when required to be performed or observed, and such failure shall not be waived and shall continue after the later of (1) five Business Days after notice of such failure or (2) the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate the maturity of such Material City Debt; or (C) any Material City Debt shall be declared to be due and payable or be required to be prepaid (other than by a regularly scheduled required prepayment or an optional prepayment), prior to the stated maturity thereof; provided, however, that in the case of clause (A) or (B) any such failure shall not be considered an Event of Default under the applicable Reimbursement Agreement if the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the acceleration of the maturity of such Material City Debt;

(f) The Corporation or the City shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of its or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall declare a moratorium, or shall take any action to authorize any of the foregoing;

(g) A case or other proceeding shall be commenced against the Corporation or the City seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Corporation or the City under the federal bankruptcy laws as now or hereafter in effect, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of the Corporation or the City, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be stayed, released, appealed, vacated or fully bonded, within the time permitted by law after commencement, filing or levy, as the case may be;

(h) Any material provision of the applicable Reimbursement Agreement, the related Fee Letter or any other Related Document shall cease for any reason whatsoever to be a valid and binding agreement of the Corporation or the City, or the Corporation or the City shall contest the validity or enforceability thereof;

(i) Any pledge created under the applicable Reimbursement Agreement or under the Trust Agreement to secure any amounts due under the applicable Reimbursement Agreement shall fail to be valid or fully enforceable; or

(j) An event of default shall occur under any of the Related Documents (other than the Reimbursement Agreement) or the City shall fail to make any payment under the Sublease when and as due.

*Bank Remedies upon an Event of Default.* If any Event of Default under the applicable Reimbursement Agreement shall have occurred and be continuing, the related Bank may, by notice to the Corporation and the Issuing and Paying Agent, (i) give notice of such Event of Default to the Issuing and Paying Agent (which notice shall constitute a Tier One Stop Issuance Instruction) the effect of which shall be to prohibit, until such time, if any, as the related Bank shall withdraw (in writing) such Tier One Stop Issuance Instruction, the issuance of additional Tax-Exempt/Taxable Commercial Paper Notes of the applicable Subseries, reduce the stated amount of the applicable Letter of Credit to the principal amount of the then Outstanding Tax-Exempt/Taxable Commercial Paper Notes supported by the applicable Letter of Credit and interest payable thereon at maturity of such Tax-Exempt/Taxable Commercial Paper Notes and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Tax-Exempt/Taxable Commercial Paper Notes of the applicable Subseries are paid), (ii) issue the Tier One Final Drawing Notice (the effect of which shall be to cause the applicable Letter of Credit Termination Date of the applicable Letter of Credit to occur on the fifteenth (15th) day after the date of receipt thereof by the Issuing and Paying Agent and to instruct the Issuing and Paying Agent to make the final Drawing under the applicable Letter of Credit to provide for the payment of Tax-Exempt/Taxable Commercial Paper Notes of the applicable Subseries which are then outstanding and are maturing or are thereafter to mature), (iii) declare the related Revolving Note, in whole or in part, all or some Advances and Term Loans, as well as any other Reimbursement Obligation, and all interest thereon to be a Default Advance under the applicable Reimbursement Agreement due and payable in the manner set forth in and subject to the applicable Reimbursement Agreement, or (iv) take any other action permitted by equity or law. Notwithstanding anything to the contrary contained in the preceding sentence, upon the occurrence or existence of an Event of Default under the applicable Reimbursement Agreement of the type described in paragraph (f) or (g) under the heading "LETTERS OF CREDIT-The Reimbursement Agreements-Events of Default" above, the remedies described in clause (iii) above shall occur immediately and automatically without notice or further action on the part of the related Bank or any other person and the remedies described in clauses (i) and (ii) above shall occur by the giving of notice only to the Issuing and Paying Agent. Anything in the related Reimbursement Agreement to the contrary notwithstanding, from and after the occurrence of an Event of Default under the related Reimbursement Agreement, all Reimbursement Obligations shall bear interest at the Default Rate (as defined in the related Reimbursement Agreement). Upon any action by the related Bank as contemplated in the foregoing clauses (i) and (ii), the stated amount of the applicable Letter of Credit shall be permanently reduced upon, and by the amount of, each drawing under the applicable Letter of Credit following the occurrence of an Event of Default under the applicable Reimbursement Agreement. Notwithstanding the foregoing, the occurrence of an Event of Default under the applicable Reimbursement Agreement shall not affect the related Bank's obligations under the applicable Letter of Credit with respect to Commercial Paper Notes of the applicable Subseries that are outstanding at the time of the occurrence of such Event of Default under the applicable Reimbursement Agreement, and the Issuing and Paying Agent shall continue to have the right to draw under the applicable Letter of Credit to pay the principal of and accrued interest on maturing Commercial Paper Notes of the applicable Subseries that are outstanding at the time of the occurrence of such Event of Default under the applicable Reimbursement Agreement. Nothing contained in any Reimbursement Agreement shall result in, or be construed to require, an acceleration of the payment of Base Rental pursuant to the Sublease. Nothing contained in any Reimbursement Agreement shall abrogate the obligation of the related Bank to honor properly presented and conforming Drawings under the applicable Letter of Credit prior to the termination of the applicable Letter of Credit in accordance with its terms.

## LETTER OF CREDIT BANKS

*The following information concerning the Banks has been provided by representatives of the Banks and has not been independently confirmed or verified by the Dealers, the Corporation or the City. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date.*

### **BMO Harris Bank N.A.**

*Except for the contents under this subheading, BMO Harris Bank N.A. did not participate in the preparation of, or in any way verify the information in, any other part of this Offering Memorandum and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Offering Memorandum.*

[Bank of Montreal (“BMOHB”) (NYSE, TSX: BMO) is a highly diversified financial services provider, offering a broad range of retail banking, wealth management and investment banking products and services. Canadian clients are served through the Canadian retail arm, BMO Bank of Montreal, and through our wealth management businesses, BMO Nesbitt Burns, BMO InvestorLine, BMO Insurance and BMO Harris Private Banking. BMO Capital Markets, our North American investment and corporate banking division, provides a full suite of financial products and services to our North American and international clients. In the United States, clients are served through Chicago based BMO Harris Bank N.A., an integrated financial services organization that provides banking, financing, investing, and cash management services. BMO Financial Group comprises three operating groups: Personal and Commercial Banking (P&C), comprised of P&C Canada and P&C U.S.; Private Client Group (PCG); and BMO Capital Markets.

Bank of Montreal commenced business in Montreal in 1817 and was incorporated in 1821 by an Act of Lower Canada as the first Canadian chartered bank. In 1984, BMOHB acquired Chicago’s Harris Bankcorp, Inc., a financial services firm with roots stretching back to 1882.

BMOHB’s annual consolidated financial statements, accompanying management’s discussion and analysis, annual information form, quarterly financial statements, interim filings, and certain other financial information relating to BMOHB are available on SEDAR (<http://www.sedar.com>), EDGAR (<http://www.sec.gov>) and on BMOHB’s website (<http://www2.bmo.com/ir>), or will be provided without charge upon written request directed to: Bank of Montreal, Corporate Secretary’s Department, 1 First Canadian Place, 21st Floor, Toronto, Ontario M5X 1A1.]

## **Bank of America, N.A.**

*Except for the contents under this subheading, Bank of America, N.A. did not participate in the preparation of, or in any way verify the information in, any other part of this Offering Memorandum and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Offering Memorandum.*

Bank of America, N.A. (“BANA”) is a national banking association organized under the laws of the United States, with its principal executive offices located in Charlotte, North Carolina. BANA is a wholly-owned indirect subsidiary of Bank of America Corporation (the “Bank of America Corporation”) and is engaged in a general consumer banking, commercial banking and trust business, offering a wide range of commercial, corporate, international, financial market, retail and fiduciary banking services. As of September 30, 2021, the Bank had consolidated assets of \$2.401 trillion, consolidated deposits of \$2.033 trillion and stockholder’s equity of \$228.382 billion based on regulatory accounting principles.

The Bank of America Corporation is a bank holding company and a financial holding company, with its principal executive offices located in Charlotte, North Carolina. Additional information regarding the Bank of America Corporation is set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2020, together with its subsequent periodic and current reports filed with the Securities and Exchange Commission (the “SEC”).

The SEC maintains a website at [www.sec.gov](http://www.sec.gov) which contains the filings that the Bank of America Corporation files with the SEC such as reports, proxy statements and other documentation. The reports, proxy statements and other information the Bank of America Corporation files with the SEC are also available at its website, [www.bankofamerica.com](http://www.bankofamerica.com).

The information concerning the Bank of America Corporation and BANA is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the referenced documents and financial statements referenced therein.

BANA will provide copies of the most recent Bank of America Corporation Annual Report on Form 10-K, any subsequent reports on Form 10-Q, and any required reports on Form 8-K (in each case, as filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended), and the publicly available portions of the most recent quarterly Call Report of BANA delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

Bank of America Corporation  
Office of the Corporate Secretary/Shareholder Relations  
One Bank of America Center  
150 N College St., NC1-028-28-03  
Charlotte, NC 28255

PAYMENTS OF PRINCIPAL AND INTEREST ON THE TAX-EXEMPT SERIES A-2/TAXABLE SERIES B-2 COMMERCIAL PAPER NOTES WILL BE MADE FROM DRAWINGS UNDER THE TAX-EXEMPT SERIES A-2/TAXABLE SERIES B-2 LETTER OF CREDIT. ALTHOUGH THE TAX-EXEMPT SERIES A-2/TAXABLE SERIES B-2 LETTER OF CREDIT IS A BINDING OBLIGATION OF BANA, THE TAX-EXEMPT SERIES A-2/TAXABLE SERIES B-2 COMMERCIAL PAPER NOTES ARE NOT DEPOSITS OR OBLIGATIONS OF THE BANK OF AMERICA CORPORATION OR ANY OF ITS AFFILIATED BANKS AND ARE NOT



GUARANTEED BY ANY OF THESE ENTITIES. THE TAX-EXEMPT SERIES A-2/TAXABLE SERIES B-2 COMMERCIAL PAPER NOTES ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND ARE SUBJECT TO CERTAIN INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

The delivery of this information shall not create any implication that there has been no change in the affairs of the Bank of America Corporation or BANA since the date of the most recent filings referenced herein, or that the information contained or referred to under this subheading is correct as of any time subsequent to the referenced date.

### **U.S. Bank National Association**

*Except for the contents under this subheading, U.S. Bank National Association did not participate in the preparation of, or in any way verify the information in, any other part of this Offering Memorandum and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Offering Memorandum.*

U.S. Bank National Association (“USBNA”) is a national banking association organized under the laws of the United States and is the largest subsidiary of U.S. Bancorp. At December 31, 2021, USBNA reported total assets of \$564 billion, total deposits of \$465 billion and total shareholders’ equity of \$51 billion. The foregoing financial information regarding USBNA has been derived from and is qualified in its entirety by the unaudited financial information contained in the Federal Financial Institutions Examination Council report Form 031, Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices (“Call Report”), for the quarter ended December 31, 2021. The publicly available portions of the quarterly Call Reports, as well as other information regarding depository institutions such as USBNA, are available to the public on the FDIC’s website at [www.fdic.gov](http://www.fdic.gov). Additional information about USBNA is available to the public on the Office of the Comptroller of the Currency’s website at [www.occ.gov](http://www.occ.gov).

U.S. Bancorp is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, files reports and other information with the Securities and Exchange Commission (the “SEC”). U.S. Bancorp is not guaranteeing the obligations of USBNA and is not otherwise liable for the obligations of USBNA.

Except for the contents under this subheading, USBNA and U.S. Bancorp assume no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Offering Memorandum.

## SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES

### Letters of Credit

The principal and actual interest accrued on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes are supported by amounts available under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit in the initial stated amount of \$157,500,000. The Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit will be amended to expire on June 30, 2025, or such later date to which the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit shall have been extended or such earlier date on which the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit shall have expired, unless the Corporation shall have arranged for an Alternate Credit Facility.

The principal and actual interest accrued on the Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes are supported by amounts available under the Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit in the amended stated amount of \$105,000,000. The Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit will be amended to expire on June 30, 2025, or such later date to which the Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit shall have been extended or such earlier date on which the Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit shall have expired, unless the Corporation shall have arranged for an Alternate Credit Facility.

The principal and actual interest accrued on the Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes are supported by amounts available under the Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit to be issued in the initial stated amount of \$183,750,000. The Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit will be amended to expire on June 30, 2025, or such later date to which the Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit shall have been extended or such earlier date on which the Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit shall have expired, unless the Corporation shall have arranged for an Alternate Credit Facility.

None of the Banks are obligated to extend the applicable Stated Termination Date of its respective Letter of Credit. See “LETTERS OF CREDIT-The Reimbursement Agreements.” See also “RISK FACTORS-Expiration of Initial Letters of Credit.”

**The investment decision to purchase the Commercial Paper Notes should be made solely on the basis of the creditworthiness of the related Bank that has issued the applicable Letter of Credit from which will be paid all principal of and interest on such Commercial Paper Notes, rather than the City.** Prospective investors should not rely on any source other than proceeds of drawings under the applicable Letter of Credit to pay the principal and actual interest accrued on such Commercial Paper Notes. If, for any reason, the related Bank fails to honor a properly presented and conforming drawing under the applicable Letter of Credit, the principal and actual interest accrued on such Commercial Paper Notes may not be paid when due, and the City would have no obligation to make any payments with respect to such Commercial Paper Notes apart from the City’s obligation to make Base Rental (as defined herein) payments as and when due, as more particularly described herein. The ratings assigned to such Commercial Paper Notes are based on the creditworthiness of the related Bank. See “RATINGS” herein.

### Pledged Property; Assignment

Pursuant to the Trust Agreement, the Corporation has pledged and assigned to the Trustee, on behalf of the Owners of the Commercial Paper Notes and the Banks, and will grant to the Trustee, on behalf of the Owners of the Commercial Paper Notes and the Banks, a security interest in and lien on, all its right, title and interest in and to: (i) the Site Lease; (ii) the Sublease (except for its right to payment of expenses of the Corporation under the Sublease, its right to indemnification under the Sublease and its

right to receive certain notices under the Sublease); (iii) the proceeds of any insurance, including the proceeds of any self-insurance covering loss relating to the Property; (iv) all amounts on hand from time to time in the funds and accounts established under the Trust Agreement (other than the Rebate Fund and the Commercial Paper Note Proceeds Subaccounts within the Payment Account); provided that the proceeds of the sale of a Subseries of Commercial Paper Notes on deposit in any such fund or account shall not secure any other Subseries of Commercial Paper Notes supported by a different Credit Facility and the proceeds of any drawing or payment under a Credit Facility for a Subseries shall not secure any other Subseries of Commercial Paper Notes supported by a different Credit Facility; and (v) any additional moneys or amounts that may from time to time, by delivery or by writing of any kind, be subjected to the lien of the Trust Agreement by the Corporation or by anyone on its behalf, subject only to the provisions of the Trust Agreement, the Site Lease and the Sublease (clauses (i), (ii), (iii), (iv) and (v) of this sentence, collectively, the “Pledged Property”).

The Corporation has covenanted and agreed in the Trust Agreement that Base Rental and proceeds of rental interruption insurance with respect to the Property (if any) received by the Issuing and Paying Agent, on behalf of the Trustee, shall be deposited in the Base Rental Account. All Pledged Property shall be accounted for and applied in accordance with the Trust Agreement, and the Corporation shall have no beneficial right or interest in any of the Pledged Property except as provided in the Trust Agreement. All Pledged Property, whether received by the Corporation in trust or deposited with the Trustee as provided in the Trust Agreement, shall nevertheless be allocated, applied and disbursed solely to the purposes and uses set forth therein, and shall be accounted for separately and apart from all other accounts, funds, moneys or other resources of the Corporation.

The Commercial Paper Notes are special limited obligations of the Corporation and principal thereof and interest thereon are payable solely from the Pledged Property available for such purpose and moneys drawn by the Issuing and Paying Agent under the applicable Credit Facility as provided in the Trust Agreement, and the Corporation is not obligated to pay such principal or interest except from the Pledged Property available for such purpose.

### **Sublease; Term**

The City has leased certain parcels of land, together with the buildings and improvements located thereon, as more particularly described in the Sublease (collectively, the “Property”), to the Corporation pursuant to an Amended and Restated Site Lease, dated as of June 1, 2019, to be amended by a First Amendment to Amended and Restated Site Lease, dated as of June 1, 2022 (as so amended and as it may be further amended and supplemented from time to time, the “Site Lease”), each by and between the City and the Corporation. The City has subleased the Property from the Corporation pursuant to the Sublease. The leasing and subleasing of the Property pursuant to the Site Lease and the Sublease were approved and became effective on May [ ], 2022 pursuant to a lease ordinance passed by the City Council of the City on April [ ], 2022 and published on April [ ], 2022.

Subject to the next succeeding paragraph, with respect to each Component, the term of the Sublease with respect to such Component began on June 21, 2019 and will end on the earliest of: (a) the date set forth with respect to such Component in Appendix C attached hereto (and in the case of any Property which is added following June 21, 2019 or substituted for a Component pursuant to pursuant to the provisions of the Sublease and of the Trust Agreement, the date set forth in the base rental payment schedule attached to the Sublease as an exhibit with respect to such additional or substituted Component), (b) the date all Base Rental related to such Component is paid in full, (c) the date of termination of the Sublease with respect to such Component due to casualty or condemnation in accordance with the terms of the Sublease, or (d) the date of release of such Component in accordance with the terms of the Sublease and of the Trust Agreement.

Notwithstanding anything to the contrary contained in the Sublease, including without limitation the provisions of the Sublease with respect to Rental Payments, if, at any time on or prior to the final maturity of all outstanding Commercial Paper Notes, there shall remain outstanding any obligations to any Bank under any of the Reimbursement Agreements, the term of the Sublease with respect to each Component subject to the Sublease at such time shall be extended until such date as all such obligations to the Banks have been satisfied; provided, however, in no event shall the term of the Sublease with respect to any Component extend beyond June 8, 2062. During such extension of the term of the Sublease the City shall pay Base Rental (including any Maximum Base Rental which accrued during any prior Base Rental Period but was not paid during such prior Base Rental Period) in an amount sufficient to satisfy such obligations to the Banks in full; provided, however, that the Base Rental with respect to any Component during any Base Rental Period shall not exceed the then fair rental value with respect to such Component during such Base Rental Period.

### **Base Rental Payments**

Pursuant to the Sublease, the City has agreed to pay to the Corporation Base Rental in an amount up to the Maximum Base Rental, and the Additional Rental, with respect to each Component, as provided in the Sublease, for the use, occupancy and possession of the Property for which such Maximum Base Rental is payable, all on the terms and conditions set forth in the Sublease. The table set forth in Appendix C attached hereto sets forth the Maximum Base Rental with respect to each Component for each Base Rental Period.

The Minimum Required Rental Payment for each Base Rental Period shall be equal to the sum of (a) the Assumed Interest Cost required during such Base Rental Period with respect to the Commercial Paper Notes (based upon the average principal amount of Commercial Paper Notes expected to be Outstanding during such Base Rental Period and the applicable Assumed Interest Rate); (b) the principal amount of Commercial Paper Notes and Revolving Notes the City expects to repay during such Base Rental Period in addition to the Required Principal Reduction Amount and amounts set forth in clause (e) below; (c) the Required Principal Reduction Amount for such Base Rental Period; (d) the Assumed Interest Cost required during such Base Rental Period with respect to the Revolving Notes (based upon the expected average principal amount of the Revolving Notes expected to be Outstanding during such Base Rental Period and the applicable Assumed Interest Rate with respect to such Revolving Notes); and (e) the amount of principal coming due on the Revolving Notes during such Base Rental Period.

If the Minimum Required Rental Payment for a Base Rental Period is less than the aggregate Maximum Base Rental for all Components for such Base Rental Period, the City shall be obligated to pay the Minimum Required Rental Payment for each Base Rental Period, with the interest portion thereof being paid at the applicable Assumed Interest Rate in equal quarterly installments on each Quarterly Payment Date, with an amount equal to the principal portion thereof, including the Required Principal Reduction Amount, being paid not later than the first day of the calendar quarter during which such amount will be used to reimburse a Bank for an Advance used to retire Commercial Paper Notes that will not be remarketed, renewed or refinanced (and to pay the interest thereon), and with any principal due under any Revolving Notes during such Base Rental Period being paid on or prior to the date that is ten days prior to the date such amount is due under such Revolving Notes. Any Base Rental and Additional Rental shall be paid on the terms, in the amounts, at the times and in the manner set forth in the Sublease. The City will make payments of Base Rental directly to the Issuing and Paying Agent, as agent for the Trustee, for deposit into the Base Rental Account and, to the extent not otherwise paid to the Person to whom any amount constituting Additional Rental is owing, will make payment of Additional Rental to the Issuing and Paying Agent for deposit into the Administrative Expense Account. The amount by which the aggregate Maximum Base Rental for all Components for any Base Rental Period exceeds the amount so deposited in such Base Rental Period shall continue to be an obligation of the City for such Base

Rental Period and shall be payable by the City if and to the extent that payment is required pursuant to the Sublease.

In connection with the issuance of Commercial Paper Notes for a purpose other than to pay the principal of and interest on maturing Commercial Paper Notes (or to reimburse the related Bank for Advances made to pay such amounts), the Corporation will be required to issue to the City a Debt Service Certificate – Additional Commercial Paper Notes pursuant to the Trust Agreement reflecting the issuance of such Commercial Paper Notes, and such Debt Service Certificate will indicate whether a Minimum Supplemental Rental Payment is required during the then current Base Rental Period. Such Minimum Supplemental Rental Payment shall be equal to the sum of: (a) the Assumed Interest Cost required during the portion of such Base Rental Period from and after the date of issuance of the additional Commercial Paper Notes (based upon the expected average principal amount of Commercial Paper Notes Outstanding during such Base Rental Period after such issuance and the applicable Assumed Interest Rate); (b) the interest accrued on the Commercial Paper Notes during the portion of such Base Rental Period prior to such issuance date; (c) the unpaid portion of the new Required Principal Reduction Amount for such Base Rental Period during which such issuance date occurs; (d) the Required Principal Reduction Amount paid during the portion of such Base Rental Period prior to such issuance date; (e) the Assumed Interest Cost required during the portion of such Base Rental Period from and after such issuance date with respect to the Revolving Notes (based upon the expected average principal amount of the Revolving Notes expected to be Outstanding during such Base Rental Period after such issuance and the applicable Assumed Interest Rate with respect to such Revolving Notes); (f) the interest accrued on the Revolving Notes during the portion of such Base Rental Period prior to such issuance date; (g) the amount of principal coming due on the Revolving Notes during such Base Rental Period after such issuance; and (h) the principal paid on the Revolving Notes during the portion of such Base Rental Period prior to such issuance date; and less (i) the amount of Minimum Required Rental Payment and Minimum Supplemental Rental Payment previously paid or budgeted to be paid for such Base Rental Period during which such issuance date occurs. If the Debt Service Certificate--Additional Commercial Paper Notes issued by the Corporation to the City pursuant to the Trust Agreement indicates that a Minimum Supplemental Rental Payment is required during the then current Base Rental Period, the City shall budget and appropriate the necessary Minimum Supplemental Rental Payment and promptly pay to the Issuing and Paying Agent such Minimum Supplemental Rental Payment, except as provided in the second following paragraph below; provided, however, that the City may pay such Minimum Supplemental Rental Payment in equal installments on each Quarterly Payment Date remaining in such Base Rental Period so long as all such payments are made in advance of the date required to pay principal of and interest on any Notes. The Corporation will not be required to issue the Debt Service Certificate--Additional Commercial Paper Notes if the issuance of such Additional Notes was taken into account in completing the Debt Service Certificate--Annual for such Base Rental Period.

If at any time during a Quarterly Payment Period, the amount on deposit in the Capitalized Interest Subaccounts, the Base Rental Account, the Base Rental Payment Subaccounts and/or the Bank Reimbursement Subaccounts shall not be sufficient to pay the principal of and accrued interest on the Commercial Paper Notes and Advances evidenced by the Revolving Notes during such Quarterly Payment Period, the Required Principal Reduction Amount for such Quarterly Payment Period, if any, and any principal due on the Revolving Notes, the Corporation shall file with the City a Debt Service Certificate--Additional Interest and/or Principal with respect to such deficiency, and such Debt Service Certificate--Additional Interest and/or Principal will indicate whether a Minimum Supplemental Rental Payment is required. Such Minimum Supplemental Rental Payment shall be equal to the sum of: (a) the amount of interest expected to accrue on Commercial Paper Notes scheduled to mature during the portion of such Base Rental Period after the date of calculation set forth in such Debt Service Certificate; (b) the interest accrued on the Commercial Paper Notes during the portion of such Base Rental Period prior to such calculation date; (c) the unpaid portion of the Required Principal Reduction Amount for such Base

Rental Period during which such calculation date occurs; (d) the Required Principal Reduction Amount paid during the portion of such Base Rental Period prior to such calculation date; (e) the amount of interest expected to accrue on the Revolving Notes (based on the applicable Assumed Interest Rate as of such calculation date) during the portion of such Base Rental Period after such calculation date; (f) the interest accrued on the Revolving Notes during the portion of such Base Rental Period prior to such calculation date; (g) the amount of principal coming due on the Revolving Notes during the portion of such Base Rental Period after such calculation date; and (h) the principal paid on the Revolving Notes during the portion of such Base Rental Period prior to such calculation date; and less (i) the amount of Minimum Required Rental Payment and Minimum Supplemental Rental Payment previously paid or budgeted to be paid for such Base Rental Period during which such calculation date occurs. If the Debt Service Certificate--Additional Interest and/or Principal filed by the Corporation with the City pursuant to the Trust Agreement indicates that a Minimum Supplemental Rental Payment is required, the City shall budget and appropriate the necessary Minimum Supplemental Rental Payment and promptly pay to the Issuing and Paying Agent such Minimum Supplemental Rental Payment, except as provided in the paragraph below.

The City shall not be required to budget and appropriate the necessary Minimum Supplemental Rental Payment and pay any Minimum Supplemental Rental Payment if the Corporation shall have issued its Commercial Paper Notes to provide funds in an amount equal to or in excess of the amount of the Minimum Supplemental Rental Payment and the proceeds of such Commercial Paper Notes shall have been deposited into the Base Rental Account. Additionally, if the Corporation shall have issued its Commercial Paper Notes to provide funds to pay a portion of the amount of any Minimum Supplemental Rental Payment and the proceeds of the Commercial Paper Notes have been deposited into the Base Rental Account, the amount of the Minimum Supplemental Rental Payment may be reduced by the amount of proceeds so deposited.

Notwithstanding any provisions of the Sublease or any other document to the contrary, under no circumstances shall the City be required to pay during any Base Rental Period amounts (exclusive of Additional Rental) in excess of aggregate Maximum Base Rental for all Components for such Base Rental Period; provided that the City shall have the right at any time, to pay Base Rental in excess of that required under the Sublease in order to provide for the retirement of Commercial Paper Notes or the repayment of the Revolving Notes.

Pursuant to the Sublease, if at any time the City shall determine that the annual fair rental value of the Property in any future Base Rental Period is greater than the Minimum Required Rental Payment due in such future Base Rental Period (the difference being referred to herein as the "Excess Fair Rental Value"), the City may revise the schedule of Minimum Required Rental Payments such that a portion of the Minimum Required Rental Payment which would have been due in the then current year shall be paid in such future Base Rental Period to the extent of such Excess Fair Rental Value. Likewise, if at any time the City shall determine that the annual fair rental value of the Property in the then current Base Rental Period is greater than the Minimum Required Rental Payment due in such current Base Rental Period, the City may, at its option, pay additional Base Rental during such current Base Rental Period and such amount shall be credited against the Minimum Required Rental Payment due in any future Base Rental Period as the City shall direct.

The Maximum Base Rental for each Component for each Base Rental Period shall be the amount set forth in Appendix C attached hereto, and shall become due and payable quarterly in advance on each Quarterly Payment Date during the Sublease Term as set forth in the Sublease. Pursuant to the Sublease, the City has agreed to pay, from legally available funds, to the extent required thereunder, the aggregate Maximum Base Rental for all Components for each Base Rental Period, subject to the provisions of the Sublease providing for payment of Minimum Required Rental Payments described above.

In addition to the Minimum Required Rental Payments and any Minimum Supplemental Rental Payments set forth in the Sublease, the City has agreed to pay as Additional Rental all of the following: (i) all taxes and assessments of any nature whatsoever, including but not limited to excise taxes, *ad valorem* taxes, *ad valorem* and specific lien special assessments and gross receipts taxes, if any, levied upon any Component or upon any interest of the Corporation, the Trustee or the Owners therein or in the Sublease, including taxes and charges contemplated by the provision of the Sublease described under “— Taxes, Other Governmental Charges and Utility Charges” below; (ii) all costs of maintenance, operation, repair and replacement of the Property as required under the Sublease; (iii) insurance premiums, if any, on all insurance required under the provisions of the Sublease; (iv) all fees, costs and expenses (not otherwise paid or provided for out of the proceeds of the sale of the Commercial Paper Notes) of the Trustee, the Issuing and Paying Agent and the Dealers in connection with the Trust Agreement and the Dealer Agreements; (v) all fees, costs and expenses payable to the Banks under the Reimbursement Agreements; (vi) any other fees, costs or expenses incurred by the Corporation, the Trustee and the Issuing and Paying Agent in connection with the execution, performance or enforcement of the Sublease or any assignment thereof or of the Trust Agreement or any of the transactions contemplated thereby or related to the Property; and (vii) rebate, if any, due pursuant to Section 148(f)(2) of the Code. Amounts constituting Additional Rental payable under the Sublease shall be paid by the City directly to the person or persons to whom such amounts shall be payable. The City shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Trustee, the Corporation or the applicable Bank to the City stating the amount of Additional Rental then due and payable and the purpose thereof.

As used in this Offering Memorandum, “Rental Payments” means all Minimum Required Rental Payments, Minimum Supplemental Rental Payments and Additional Rental payable under the Sublease, “Base Rental” means all Minimum Required Rental Payments and Minimum Supplemental Rental Payments, but does not include Additional Rental, and “Maximum Base Rental” means, for each Component for each Base Rental Period, the amount set forth in Appendix C attached hereto, as such amounts may be adjusted from time to time in accordance with the terms of the Sublease, but does not include Additional Rental.

The City has covenanted under the Sublease to pay to the Corporation Base Rental in an amount up to the Maximum Base Rental, and the Additional Rental, with respect to each Component, as provided in the Sublease, for the use, occupancy and possession of the Property for which such Maximum Base Rental is payable, all on the terms and conditions set forth in the Sublease, for and in consideration for the use and possession, and the continued quiet use and enjoyment, of the Property by the City for and during each Base Rental Period or portion thereof. Subject to the provision summarized in the fifth immediately preceding paragraph above, the City has further covenanted to include all Minimum Required Rental Payments, Additional Rental and Minimum Supplemental Rental Payments due under the Sublease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all Minimum Required Rental Payments, Additional Rental, and Minimum Supplemental Rental Payments, subject to abatement during any period in which, by reason of material damage, destruction or condemnation of any Component, or defects in title to any Component, there is substantial interference with the use, occupancy or possession of any Component by the City. See “RISK FACTORS — Abatement.” The City and the Corporation have agreed in the Sublease that the Minimum Required Rental Payments and any Minimum Supplemental Rental Payments and Additional Rental for each Base Rental Period or portion thereof during the Sublease Term shall constitute the total rental for such Base Rental Period or portion thereof. The City and the Corporation have further agreed and determined that the Base Rental payable in respect of any Component during each such Base Rental Period are not in excess of the total fair rental value of such Component for such Base Rental Period. In making such determination, consideration will be given to such matters, including but not limited to, the uses and purposes served by each such Component and

the benefits therefrom that will accrue to the City and the Corporation by reason of the Sublease and to the general public by reason of the City's use of each such Component.

The covenants on the part of the City contained in the Sublease are deemed to be and are construed to be ministerial duties imposed by law and by the Charter of the City and it shall be the ministerial duty of each and every public official of the City who bears direct or indirect responsibility for administering the Sublease to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the City to carry out and perform the covenants and agreements on the part of the City contained in the Sublease.

The obligation of the City to make Rental Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Notwithstanding anything to the contrary contained in the Sublease, neither the Notes nor the obligation of the City to make Rental Payments constitutes an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction.

The Sublease is intended to be a triple net lease. The City has agreed that the rentals provided for in the Sublease shall be an absolute net return to the Corporation free and clear of any expenses, charges or set-offs whatsoever.

### **Rental Abatement**

Except to the extent of (a) available amounts held by the Trustee in the Base Rental Account or the Issuing and Paying Agent in the Base Rental Payment Subaccounts or the Bank Reimbursement Subaccounts, (b) amounts, if any, received in respect of rental interruption insurance with respect to any Component, and (c) amounts, if any, otherwise legally available to the City for payments in respect of the Sublease or to the Issuing and Paying Agent for payments in respect of the Notes, Rental Payments due under the Sublease will be subject to abatement during any period in which, by reason of material damage, destruction or condemnation of any Component, or defects in title to any Component, there is substantial interference with the use, occupancy or possession of any Component by the City. The amount of annual rental abatement shall be such that the resulting Base Rental in respect of the Property in any Base Rental Period during which such interference continues, excluding any amounts described in clauses (a), (b) or (c) above, do not exceed the fair rental value of the Property for such Base Rental Period with respect to which there has not been substantial interference, as evidenced by a certificate of a City Representative. Such abatement shall continue for the period commencing with the date of such damage, destruction, condemnation or discovery of such title defect and ending with the restoration of the affected Component to tenantable condition or correction of the title defect. In the event of any such damage, destruction, condemnation or title defect, the Sublease shall continue in full force and effect, except as set forth in the provisions of the Sublease with respect to application of insurance proceeds or eminent domain.

### **Insurance**

Pursuant to the Sublease, the City has covenanted to secure and maintain or cause to be secured and maintained at all times throughout the term of the Sublease with insurers of recognized responsibility or through a program of self-insurance or alternative risk management to the extent specifically permitted in the Sublease, all coverage on the Property required by the Sublease and set forth below. Such insurance shall consist of the following coverages:

(a) Fire and lightning insurance (with an extended coverage endorsement and with a vandalism and malicious mischief endorsement) on all structures, facilities and improvements constituting



the Property in an amount equal to the lesser of (i) one hundred percent (100%) of the replacement cost of such structures, facilities and improvements (less a commercially reasonable deductible amount) or (ii) the aggregate principal amount of the Funding Commitments. Said extended coverage endorsement shall, in addition to the fire and lightning insurance referenced above, cover loss or damage by explosion, windstorm, hail, riot, civil commotion, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such endorsement, if such coverage is commercially available in reasonable amounts at reasonable cost on the open market from reputable insurance companies.

(b) General liability and automobile insurance which, at a minimum, equates to the following insurance coverage and provision, naming the Corporation and the City, their members, officers, agents and employees as insureds. Said insurance coverage shall insure said parties against liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Said insurance coverage shall provide coverage for bodily and personal injury, death and property damage per occurrence. The insurance coverage required under this paragraph shall initially be provided through a program of alternative risk management in accordance with the Sublease as set forth below.

(c) Earthquake insurance in an amount equal to the maximum probable loss of all Components of the Property, as determined by the City's Risk Manager, unless, based upon the written recommendation of the City's Risk Manager annually filed by the City with the Trustee, it is not obtainable in reasonable amounts at reasonable cost on the open market from reputable insurance companies.

(d) Rental interruption insurance to cover loss, total or partial, of the use of any Component as a result of any of the hazards covered by the insurance required pursuant to clause (a) and (c) above, in an amount sufficient at all times to pay the Maximum Base Rental payable under the Sublease with respect to such Component for a period equal to 24 months, assuming an interest rate of 5% on the Notes.

(e) A CLTA policy or policies of title insurance for all Components in an amount not less than the aggregate principal amount of the Funding Commitments. Such policy or policies of title insurance shall show title to the particular Component covered by such policy in the name of the Corporation or the City, subject to the Sublease and such other encumbrances as will not, in the opinion of the Corporation, the City and the Banks, materially affect the use, occupancy and possession of the Component and will not result in the abatement of Base Rental payable by the City under the Sublease with respect to such Component.

All policies of insurance required by the Sublease shall be in form certified by the Risk Manager to be in compliance with the requirements of the Sublease, and shall name the Trustee and the Banks as additional insureds and as loss payees. The City shall pay when due the premiums for all insurance policies required by the Sublease, and promptly shall furnish evidence of such payments to the Corporation and, upon request, to the Banks. All insurance required under the Sublease shall be primary to any other insurance available to the Corporation and the Trustee, and shall apply separately to each insured against whom claim is made or suit is brought and shall provide that the Trustee and the Banks shall be given thirty (30) days' prior written notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby, provided that such separate coverage shall not increase the limit of liability under any such insurance. All insurance required to be maintained pursuant to the Sublease may be maintained either separately or as a part of or in conjunction with any other insurance coverage carried by the City. The Trustee shall not be responsible for the sufficiency of any insurance required by the Sublease and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee.

Notwithstanding anything in the insurance provisions of the Sublease to the contrary, the City shall have the right to adopt additional programs of self-insurance or alternative risk management programs to insure against any of the risks required to be insured against under the terms of the Sublease (except insurance coverage against loss of rental income as required by the Sublease or the title insurance required by the Sublease), in whole or in part. Any such additional alternative risk management program must be approved as reasonable and appropriate by the Risk Manager. The approval of the Risk Manager shall be in the form of a report on the nature of the program and the adequacy of its funding which shall be prepared and filed annually with the Trustee and the Banks during any period when such program is in effect, commencing on or prior to the date such program is implemented. If such annual approving report is not timely filed with the Trustee and the Banks, the Trustee or any Bank may notify the City in writing and thereupon the City shall immediately obtain insurance as required by the Sublease or promptly file the annual approving report. In addition, the City Administrative Officer of the City may, if it is in the best interests of the City, approve such other types of insurance, including any increases in the insurance coverage required by this provision, upon the recommendation of a Risk Manager, or in connection with obtaining or maintaining any rating on the Commercial Paper Notes.

### **Replacement; Maintenance and Repairs**

The City shall, at its own expense, during the Sublease Term, maintain each Component, or cause the same to be maintained, in good order, condition and repair and shall repair or replace any Component which is destroyed or damaged to such an extent that there is substantial interference with the use and possession of such Component by the City which would result in an abatement of Rental Payments or any portion thereof pursuant to the terms of the Sublease, subject to the availability of sufficient insurance proceeds to pay for such repair or replacement; *provided, however*, that the City shall not be required to repair or replace any Component pursuant to the Sublease if there shall be applied to the payment and retirement of Outstanding Notes insurance proceeds, condemnation proceeds or other legally available funds sufficient to pay and retire Notes Outstanding and to pay other amounts owing to the Banks such that (i) the sum of the aggregate principal amount of all Outstanding Commercial Paper Notes plus the amount of any Advances then outstanding under the Revolving Notes following the application of such amounts does not exceed the Maximum Principal Amount (as modified assuming the termination of the Sublease with respect to such damaged, destroyed or taken Component pursuant to the terms of the Sublease, and assuming the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease) and (ii) the resulting Base Rental payments on the unaffected portions of the Property payable pursuant to the Sublease in any Base Rental Period following the application of such amounts are sufficient to pay in such Base Rental Period the principal of and interest on an aggregate principal amount of Notes (including Revolving Notes) assuming that, on an aggregate basis, an aggregate principal amount of Commercial Paper Notes plus the amount of Advances under the Revolving Notes are Outstanding in an aggregate principal amount equal to the Maximum Principal Amount (as modified assuming the termination of the Sublease with respect to such damaged, destroyed or taken Component pursuant to the Sublease, and assuming the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease), to the extent due and payable in any such subsequent Base Rental Period following the application of such amounts.

The City shall provide or cause to be provided all security service, custodial service, janitorial service and other services necessary for the proper upkeep and maintenance of each Component. It is understood and agreed that in consideration of the payment by the City of the Rental Payments provided for in the Sublease, the City is entitled to possession of each Component and the Corporation shall have no obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of such Component during the Sublease Term with respect to such Component. The Corporation shall not be required at any time to make any improvements, alterations, changes, additions,

repairs or replacements of any nature whatsoever in or to any Component. The City has expressly waived the right to make repairs or to perform maintenance of any Component at the expense of the Corporation and (to the extent permitted by law) has waived the benefit of Sections 1932, 1941 and 1942 of the California Civil Code relating thereto. The City shall keep each Component free and clear of all liens, charges and encumbrances other than Permitted Encumbrances.

### **Taxes, Other Governmental Charges and Utility Charges**

The City has covenanted in the Sublease to pay during the Sublease Term with respect to each Component as the same respectively become due, all taxes (except for income or franchise taxes, if any, of the Corporation), utility charges and governmental charges of any kind whatsoever, if any, that may at any time be lawfully assessed or levied against or with respect to each such Component; provided, however, that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are accrued during such time as the Sublease is in effect with respect to such Component; provided, further, that the City may contest in good faith the validity or application of any tax, utility charge or governmental charge in any reasonable manner which does not adversely affect the right, title and interest of the Corporation or the Trustee in and to any Component or its rights or interests under the Sublease or subject any portion of any Component to loss or forfeiture. Any such taxes or charges shall constitute Additional Rental under the Sublease and shall be payable directly to the entity assessing such taxes or charges.

### **Application of Insurance Proceeds and Condemnation Awards**

*General.* All proceeds of insurance received in respect of destruction of or damage to any portion of any Component by fire, earthquake or other casualty or event shall be paid to the Trustee for application in accordance with the provisions of the Trust Agreement. If there is an abatement of Rental Payments pursuant to the terms of the Sublease as a result of such casualty or event, and the City elects pursuant to the Trust Agreement to apply such insurance to the payment and retirement of Notes rather than to the replacement or repair of the destroyed or damaged Component, then the Sublease shall terminate with respect to the destroyed or damaged Component as of the later of the date of such election by the City or the date the amount required by the Trust Agreement is received by the Trustee. If the City elects, pursuant to the Trust Agreement to apply such proceeds to the repair or replacement of the portion of any Component which has been damaged or destroyed, in the event there has been an abatement of Rental Payments pursuant to the terms of the Sublease, then Rental Payments without any abatement shall again begin to accrue with respect thereto upon repair or replacement of such portion of such Component.

Pursuant to the Trust Agreement, if any portion of the Property shall be damaged or destroyed, or shall be taken by eminent domain proceedings, the City shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, subject to the availability of sufficient insurance proceeds to pay for such repair or replacement, unless the City elects not to repair or replace the Property in accordance with the Trust Agreement as set forth below.

All proceeds of insurance (including any rental interruption) received in respect of destruction of or damage to any portion of any Component by fire, earthquake or other casualty or event shall be paid to the Trustee for application as set forth below.

The proceeds of any insurance (other than any rental interruption, which shall be transferred by the Trustee to the Issuing and Paying Agent, on behalf of the Trustee, for deposit in the Base Rental Account pursuant to the Trust Agreement), including the proceeds of any self-insurance fund and of any condemnation award, received on account of any damage, destruction or taking of the Property or portion thereof shall as soon as possible be deposited in the Insurance and Condemnation Proceeds Fund which it

shall establish upon such deposit and made available for and, to the extent necessary, shall be applied to the cost of repair or replacement of the Property or affected portion thereof upon receipt of a written request of a City Representative. Pending such application, such proceeds shall be invested by the Trustee solely at the written direction of a City Representative, in Qualified Investments that mature not later than the date such moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, a City Representative shall, within 180 days of the occurrence of the event of damage, destruction or taking, notify the Trustee in writing of whether the City intends to replace or repair the Property or the portions of the Property which were damaged or destroyed, subject to the availability of sufficient insurance proceeds to pay for such repair or replacement. If the City elects to replace or repair the Property or portions thereof, subject to the availability of sufficient insurance proceeds to pay for such repair or replacement, the City shall deposit with the Trustee the full amount of any insurance deductible to be credited to the Insurance and Condemnation Proceeds Fund.

In the event of damage, destruction or taking that results in an abatement of rental payments pursuant to the Sublease, then the City shall be required to repair or replace any Component which is destroyed or damaged to such an extent that there is substantial interference with the use and possession of such Component by the City which would result in an abatement of Rental Payments or any portion thereof pursuant to the Sublease, subject to the availability of sufficient insurance proceeds to pay for such repair or replacement; *provided, however*, that the City shall not be required to repair or replace any Component pursuant to the Sublease if there shall be applied to the payment and retirement of Outstanding Notes insurance proceeds, condemnation proceeds or other legally available funds sufficient to pay and retire Notes Outstanding and to pay other amounts owing to the Banks such that (i) the Notes Outstanding following the application of such amounts does not exceed the Maximum Principal Amount (as modified assuming the termination of the Sublease with respect to such damaged, destroyed or taken Component pursuant to the Sublease, and assuming the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease) and (ii) the resulting Base Rental payments on the unaffected portions of the Property payable pursuant to the Sublease in any Fiscal Year following the application of such amounts are sufficient to pay in such Fiscal Year the principal of and interest on an aggregate principal amount of Notes assuming such Notes are Outstanding in an aggregate principal amount equal to the Maximum Principal Amount (as modified assuming the termination of the Sublease with respect to such damaged, destroyed or taken Component pursuant to the Sublease, and assuming the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease), to the extent due and payable in any such subsequent Fiscal Year following the application of such amounts. Any amounts received by the Trustee under the Trust Agreement in excess of the amount needed to either repair or replace a damaged, destroyed or taken portion of the Property shall be transferred to the Base Rental Account to the extent of any delinquent Base Rental, with the remainder, if any, transferred to the City. In the event of the retirement of Commercial Paper Notes in connection with the damage, destruction or taking of any of the Property, the City shall direct the Issuing and Paying Agent not to issue new Commercial Paper Notes to pay the principal of and interest on such maturing Commercial Paper Notes to be so retired as determined by the City.

*Title Insurance.* All proceeds of any policy of title insurance received in respect of the Property shall be paid to the Trustee for application as set forth below. Proceeds of any policy of title insurance received by the Trustee in respect of the Property shall as soon as possible be deposited in the Insurance and Condemnation Proceeds Fund which it shall establish upon such deposit and applied and disbursed by the Trustee as follows:

(a) If the Corporation and the City (i) determine that the title defect giving rise to such proceeds has not materially affected the use and possession of the Property and will not result in any

abatement of Base Rental payable by the City under the Sublease, and (ii) have provided the Trustee with written evidence of such determination, such proceeds shall be remitted to the City.

(b) If the Corporation and the City determine that such title defect will result in an abatement of Base Rental payable by the City under the Sublease, then the Trustee shall apply such amounts to the payment and retirement of Notes Outstanding and to pay other amounts owing to the Banks such that (i) the Notes Outstanding following the application of such amounts does not exceed the Maximum Principal Amount (as modified to disregard the Property subject to such title defect and assuming the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease) and (ii) the resulting Base Rental payments on the unaffected portions of the Property payable pursuant to the Sublease in any Fiscal Year following the application of such amounts are sufficient to pay in such Fiscal Year the principal of and interest on an aggregate principal amount of Notes assuming such Notes are Outstanding in an aggregate principal amount equal to the Maximum Principal Amount (as modified to disregard the Property subject to such title defect and assuming the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease), to the extent due and payable in any such subsequent Fiscal Year following the application of such amounts. Any amounts received by the Trustee under the Trust Agreement in excess of the amount needed to either repair or replace a damaged, destroyed or taken portion of the Property shall be transferred to the Base Rental Account to the extent of any delinquent Base Rental, with the remainder, if any, transferred to the City. In the event of the retirement of Commercial Paper Notes in connection with the damage, destruction or taking of any of the Property, the City shall direct the Issuing and Paying Agent not to issue new Commercial Paper Notes to pay the principal of and interest on such maturing Commercial Paper Notes to be so retired as determined by the City.

### **Eminent Domain**

*Total Condemnation.* If any Component, or so much thereof as to render the remainder of such Component unusable for the City's purposes under the Sublease, shall be taken under the power of eminent domain, then the Sublease shall terminate with respect to such Component as of the day possession shall be so taken or as of the date of entry of the interlocutory judgment.

*Partial Condemnation.* If less than a substantial portion of any Component shall be taken under the power of eminent domain, and the remainder is useable for the City's purposes, then the Sublease shall continue in full force and effect as to the remaining portions of such Component, subject only to such rental abatement as is required by the terms of the Sublease. The City and the Corporation have waived the benefit of any law to the contrary. Any award made in eminent domain proceedings for the taking shall be paid to the Trustee for application in accordance with the provisions of the Trust Agreement. If the City elects, pursuant to the Trust Agreement, to apply such proceeds to the replacement of the condemned portion of any Component, in the event there has been an abatement of Rental Payments pursuant to the terms of the Sublease, then Rental Payments without any abatement shall again begin to accrue with respect thereto upon replacement of the Component.

### **Liens; Permitted Encumbrances**

The City has covenanted to promptly pay or cause to be paid all sums of money that may become due for any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about any Component and which may be secured by any mechanic's, materialman's or other lien against such Component, or the interest of the Corporation therein, and shall cause each such lien to be fully discharged and released; provided, however, that the City or the Corporation (a) may contest any such claim or lien without payment thereof so long as such non-payment and contest stays execution or enforcement of the lien, but if such lien is reduced to final judgment and

such judgment or such process as may be issued for the enforcement thereof is not stayed, or if stayed and the stay thereafter expires, then and in any such event the City shall forthwith pay and discharge such judgment or lien, or (b) delay payment without contest so long as and to the extent that such delay will not result in the imposition of any penalty or forfeiture. Additionally, subject to the provision of the Sublease described under “—Assignment and Sublease; Addition, Substitution or Release of Property— Assignment and Sublease” below, the Corporation and the City will not create or suffer to be created any lien, charge or encumbrance upon the Property, or upon any real or personal property essential to the operation of the Property, except Permitted Encumbrances. The Corporation and the City will not sell or otherwise dispose of any portion of the Property or any other property essential to the proper operation of the Property.

### **Assignment and Sublease; Addition, Substitution or Release of Property**

*Assignment and Sublease.* The City shall not, after June 21, 2019, mortgage, pledge, assign or transfer any interest of the City in the Sublease by voluntary act or by operation of law, or otherwise; provided, however, that the City may, after June 21, 2019, with the prior written consent of the Banks, which consent shall not be unreasonably withheld, sublease all Property or any Component thereof, or may grant concessions to others involving the use of the Property or any Component, whether such concessions purport to convey a leasehold interest or a license to use such Property or Component; provided, further, however, that such sublease or grant shall be subject to the terms of the Sublease and of the Trust Agreement. Subject to the limitations set forth in the Sublease, the City shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under the Sublease, notwithstanding any subletting or granting of concessions which may be made. Nothing contained in the Sublease shall be construed to relieve the City of its obligation to pay Base Rental and Additional Rental with respect to each Component as provided in the Sublease or to relieve the City of any other obligations contained therein. In no event shall the City sublease to or permit the use of all or any part of any Component by any person so as to cause interest on any Series A Commercial Paper Notes to be includable in gross income for federal income tax purposes or interest on the Commercial Paper Notes to be subject to State personal income tax.

The Corporation has, concurrently with the execution of the Sublease, pledged and assigned all of its right, title and interest in and to the Sublease (except for its right to payment of its expenses specified in the Sublease, its right to indemnification pursuant to the terms of the Sublease and its right to receive certain notices under the terms of the Sublease), including without limitation its right to receive Base Rental payable under the Sublease and to enforce its remedies thereunder, to the Trustee, on behalf of the Owners of the Commercial Paper Notes and the Banks, pursuant to the Trust Agreement and the Assignment Agreement, and the City has approved such pledge and assignment in the Sublease. The parties have further agreed to execute any and all documents necessary and proper in connection therewith.

*Addition, Substitution or Release of Property.* Notwithstanding the provision of the Sublease described under “—Assignment and Sublease” above, if no default or event of default has occurred and is continuing under the Sublease or under any Reimbursement Agreement, the City may acquire from the Corporation, free and clear of the Corporation’s rights under the Sublease and the Site Lease, the release or substitution of any Component, subject to the requirements set forth in the Trust Agreement with respect to amendments to the Sublease, Site Lease or Assignment Agreement, or the City may add a component or other property to the Sublease and the Site Lease, subject to the requirements set forth in the Trust Agreement with respect to amendments to the Sublease, Site Lease or Assignment Agreement.

*Additions, Modifications and Improvements.* The City shall have the right during the Sublease Term to make any additions, modifications or improvements to any Component, to attach fixtures,

structures or signs, and to affix any personal property to any Component, so long as such additions, modifications or improvements shall not in any way damage the Component or cause the Component to be used for purposes other than those authorized under the provisions of State or federal law and upon completion thereof the annual fair market rental value of the Component after completion, in each Base Rental Period during the remaining term of the Sublease, is at least equal to the Maximum Base Rental prior to said addition, modification or improvement, as determined by the City on the basis of an appraisal of the Property after said completion conducted by a qualified appraiser (who may be an employee of the City). Title to all fixtures, equipment or personal property affixed by the City on any Component shall remain in the City. Title to any personal property, improvements or fixtures affixed on any Component by any sublessee or licensee of the City shall be controlled by the sublease or license agreement between such sublessee or licensee and the City, which sublease or license agreement shall not be inconsistent with the Sublease.

### **Amendments to Trust Agreement; Amendments to Site Lease, Sublease and Assignment Agreement**

*Amendments to Trust Agreement.* The Trust Agreement may be amended only in writing by agreement among the City, the Corporation and the Trustee with the written consent of the Banks. No such modification or amendment shall (i) extend the maturity of or reduce the interest rate on any Commercial Paper Note or otherwise alter or impair the obligation of the Corporation to pay the principal or interest at the time and place and at the rate and in the currency provided therein of any Commercial Paper Note without the express written consent of the Owner of such Commercial Paper Note, or (ii) without its written consent thereto, modify any of the rights or obligations of the Trustee.

*Amendments to Site Lease, Sublease and Assignment Agreement.* (a) The Site Lease, the Sublease and the Assignment Agreement may be amended in writing by agreement between the parties thereto with the written consent of the Banks. The City may, with the consent of the Banks (other than as provided in (d) below), amend the Site Lease, the Sublease and the Assignment Agreement to substitute other real property and/or improvements (the “Substituted Property”) for existing Property or to remove real property or improvements from the definition of Property upon compliance with all of the conditions set forth in subsections (b) and (c) below. After a substitution or removal, the part of the Property for which the substitution or removal has been effected shall be released from the leasehold under the Site Lease, the Sublease and the Assignment Agreement. The City may amend the Site Lease, the Sublease and the Assignment Agreement to add real property and/or improvements (the “Additional Property”) upon compliance with all of the conditions set forth in subsection (e) below.

(b) No substitution of Property shall take place until the City delivers to the Corporation, the Trustee and the Banks the following:

(i) A written description of all or part of the Property to be released and a description of the Substituted Property to be substituted in its place;

(ii) A Certificate of the City stating that the annual fair market rental value of the Property after a substitution, in each Base Rental Period during the remaining term of the Sublease, is at least equal to the Maximum Base Rental prior to said substitution, as determined by the City on the basis of an appraisal of the Property after said substitution conducted by a qualified appraiser (who may be an employee of the City);

(iii) A valid lease ordinance with respect to the Substituted Property;

(iv) An opinion of Note Counsel to the effect that the amendments to the Site Lease, the Sublease and the Assignment Agreement contemplating substitution have been duly authorized, executed and delivered and constitute the valid and binding obligations of the City and the Corporation, as applicable, enforceable in accordance with their respective terms;

(v) (A) A policy of title insurance in an amount such that the total title insurance on the Property in favor of the Trustee and the Banks is not less than the aggregate amount of the Funding Commitments, insuring the City's leasehold interest in the substituted Property (except any portion thereof which is not real property) subject only to Permitted Encumbrances, together with an endorsement thereto making said policy payable to the Banks and the Trustee for the benefit of the Owners of the Commercial Paper Notes and (B) in the event of a partial removal, evidence that the title insurance in effect immediately prior thereto is not affected;

(vi) An opinion of Note Counsel that the substitution does not cause the interest on any Series A Commercial Paper Notes to be includable in gross income of the Owners thereof for federal income tax purposes;

(vii) Evidence that the City has complied with the insurance covenants contained in the Sublease and the Reimbursement Agreements with respect to the Substituted Property; and

(viii) Evidence that the City has provided written notification regarding substitution or removal to each Rating Agency then maintaining a rating on the Commercial Paper Notes not less than five (5) days prior to such substitution.

(c) No removal of Property shall take place until the City delivers to the Corporation, the Trustee and the Banks the following:

(i) A written description of all or part of the Property to be released;

(ii) A Certificate of the City stating that the annual fair market rental value of the Property after removal, in each Base Rental Period during the remaining term of the Sublease, is at least equal to the Maximum Base Rental prior to said removal, as determined by the City on the basis of an appraisal of the Property after said removal conducted by a qualified appraiser (who may be an employee of the City);

(iii) An opinion of Note Counsel to the effect that the amendments to the Site Lease, the Sublease and the Assignment Agreement contemplating removal have been duly authorized, executed and delivered and constitute the valid and binding obligations of the City and the Corporation, as applicable, enforceable in accordance with their respective terms;

(iv) An opinion of Note Counsel that the removal does not cause the interest on any Series A Commercial Paper Notes to be includable in gross income of the Owners thereof for federal income tax purposes;

(v) Evidence that the City has complied with the insurance covenants contained in the Sublease and the Reimbursement Agreements with respect to the Substituted Property; and

(vi) Evidence that the City has provided written notification regarding removal to each Rating Agency then maintaining a rating on the Commercial Paper Notes not less than five (5) days prior to such release.



(d) Notwithstanding the above, the Corporation and the City may, in connection with a reduction of a Funding Commitment, remove Property from the Site Lease, the Sublease and the Assignment Agreement without the consent of the Banks, but with 30 days' prior written notice to the Banks, if the conditions set forth in the paragraph (c) (other than (c)(ii)(A)) have been met and the fair market value of the remaining Property, based on the fair market value of such Property determined in connection with the first issuance of the Commercial Paper Notes, is at least equal to the aggregate amount of the Funding Commitments after such reduction. Any removal of Property not made in connection with a reduction of a Funding Commitment shall comply with all of the requirements of paragraph (c).

(e) No addition of Property shall take place until the City delivers to the Banks, the Corporation and the Trustee the following:

(i) A Certificate of the City setting forth the Base Rental, if any, for such Additional Property;

(ii) Executed amendments or supplements to the Site Lease, the Sublease and the Assignment Agreement setting forth, among other things, (A) a written, legal description of the Additional Property, (B) the term of the Site Lease, the Sublease and the Assignment Agreement for the Additional Property, and, (C) in the case of the Sublease, a schedule setting forth the additional Base Rental which may be payable with respect to such Additional Property;

(iii) A valid lease ordinance with respect to the Additional Property;

(iv) An opinion of Note Counsel to the effect that the amendments or supplements to the Site Lease, the Sublease and the Assignment Agreement contemplating the addition of Additional Property have been duly authorized, executed and delivered and constitute the valid and binding obligations of the City and the Corporation, as applicable, enforceable in accordance with their respective terms;

(v) An opinion of Note Counsel that the addition of Additional Property does not cause the interest on any Series A Commercial Paper Notes to be includable in gross income of the Owners thereof for federal income tax purposes;

(vi) Evidence that the City has complied with the insurance covenants contained in the Sublease and the Reimbursement Agreements with respect to the Additional Property; and

(vii) a policy of title insurance in an amount, if any, necessary to cause the total title insurance on the Property in favor of the Trustee and the Banks to be not less than the aggregate amount of the Funding Commitments, insuring the City's leasehold interest in the additional Property (except any portion thereof which is not real property) subject only to Permitted Encumbrances, together with an endorsement thereto making said policy payable to the Banks and the Trustee for the benefit of the Owners of the Commercial Paper Notes.

### **Default by City under Sublease**

*Events of Default under Sublease.* The following shall be "Events of Default" under the Sublease and the terms "Events of Default" and "default" shall mean, whenever they are used in the Sublease, any one or more of the following events:

(a) If default shall be made in the due and punctual payment of principal of or interest on any Commercial Paper Notes or the Revolving Notes when and as the same shall become due and payable;

(b) If the City shall fail to pay to the Trustee any Rental Payment with respect to any Component as and when the same shall become due and payable;

(c) If the City shall breach any other terms, covenants or conditions contained in the Sublease or in the Trust Agreement and shall fail to remedy any such breach with all reasonable dispatch within a period of 60 days after written notice thereof from the Corporation, or its assignee, to the City, or, if such breach cannot be remedied within such 60-day period, shall fail to institute corrective action within such 60-day period and diligently pursue the same to completion, then and in any such event the City shall be deemed to be in default under the Sublease;

(d) Failure by the Corporation to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Trust Agreement, the Sublease, and the Site Lease, other than such failure as may constitute an Event of Default under clause (b) described above, for a period of 60 days after written notice specifying such failure and requesting that it be remedied has been given to the Corporation by the Trustee or to the Corporation and the Trustee by the Owners of not less than a majority in aggregate principal amount of the Commercial Paper Notes then Outstanding or if the failure stated in the notice cannot be corrected within such 60-day period, then the Corporation shall fail to institute corrective action within such 60-day period and diligently pursue the same to completion.

(e) The Corporation or the City shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) admit in writing its inability generally to pay its debts as they become due or (vii) take action for the purpose of effecting any of the foregoing; or

(f) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Corporation or the City, or of a substantial part of their respective property, under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law or (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar official for the Corporation or the City or for a substantial part of their respective property, and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for 30 days.

*Remedies on Default.* Subject to the rights of the Banks upon default set forth in the Sublease, the Corporation or its assignee shall have the right, at its option, without any further demand or notice (a) to reenter any Component and eject all parties in possession therefrom and, without terminating the Sublease, relet the Component as the agent and for the account of the City upon such terms and conditions as the Corporation may deem advisable, in which event the rents received on such reletting shall be applied first to the expenses of reletting and collection, including expenses for repair or restoration of the Component to its original condition (taking into account normal wear and tear), reasonable attorneys' fees and any real estate commissions actually paid, and second to Base Rental with respect to such Component in accordance with the Sublease and the Trust Agreement and third to Additional Rental with respect to such Component in accordance with the Sublease; provided, that if a sufficient sum shall not be realized to pay such sums and other charges then the City shall pay to the Corporation any net deficiency existing on the date when the Base Rental or Additional Rental with respect to such Component is due under the Sublease; provided, however, that such reentry and reletting

shall be done only with the consent of the City, which consent will be irrevocably given; or (b) in lieu of the above, so long as the Corporation does not terminate the Sublease or the City's possession of any Component, to enforce all of its rights and remedies under the Sublease, including the right to recover Base Rental payments as they become due under the Sublease pursuant to Section 1951.4 of the California Civil Code and to otherwise enforce performance by the City, and to pursue any remedy available in law or in equity, except as expressly provided in the Sublease. Any reentry shall be allowed by the City without hindrance, and the Corporation shall not be liable in damages for any reentry or be guilty of trespass. Notwithstanding any other provision of the Sublease or the Trust Agreement, in no event shall the Corporation have the right to accelerate the payment of any Base Rental with respect to the Property under the Sublease.

Each and every remedy of the Corporation or any assignee of the rights of the Corporation under the Sublease is cumulative and the exercise of one remedy shall not impair the right of the Corporation or its assignee to any or all other remedies. If any covenant validly shall limit the remedies given to the Corporation or any assignee of the rights of the Corporation under the Sublease, the Corporation or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

All damages and other payments received by the Corporation pursuant to this provision of the Sublease shall be applied in the manner set forth in the Trust Agreement.

In furtherance of the foregoing, the City and the Corporation have agreed that: (i) the City and the Corporation will simultaneously mail to the Banks a copy of any notice given by one to the other; (ii) prior to taking any action upon a default by the other party or its assignee in the performance of any obligation under the terms of the Sublease, the City and the Corporation shall provide written notice thereof to the Banks and thereupon the Banks shall have the right, but not the obligation, to cure any such default. In that connection, neither the City nor the Corporation will take any action to effect a termination of the Sublease or to re-enter or take possession of the Property or any Component as a consequence of such default except upon the prior written direction of the Banks. Furthermore, if the Sublease shall be rejected or disaffirmed pursuant to any bankruptcy law or other law affecting creditors' rights or if the Sublease is terminated for any other reason whatsoever, the Corporation and the City will each use its best efforts to enter into a new lease of the Property at the request of the Banks for the remainder of the term of the Sublease, effective as of the date of such rejection or disaffirmance or termination. So long as any Credit Facility is in effect or any obligations payable to the Banks under the Reimbursement Agreements remain unsatisfied, (i) the Corporation will not accept a voluntary surrender of the Sublease and (ii) the Sublease shall not be modified in any material respect without, in each case, the prior written consent of the Banks. Any provision in the Sublease to the contrary notwithstanding, the Trustee shall exercise the remedies provided for under the Sublease only if and as directed or consented to in writing by all of the Banks and shall not waive any Event of Default without the prior written consent of all of the Banks; provided, that in each such instance, the Banks shall only include a Bank for only so long as the applicable Credit Facility is in effect and so long as such Bank has not failed to honor a properly presented and conforming drawing on such Credit Facility. Anything in the Sublease to the contrary notwithstanding, the Banks may enter into a written agreement among the Banks appointing one of such Banks to act on their behalf (the "Bank Agent") in connection with any direction or consent provided for in the section of the Sublease relating to Events of Default, and in such event any such direction or consent of the Bank Agent shall constitute the direction or consent of the Banks under such section of the Sublease.

The waiver by the Corporation of any breach by the City, and the waiver by the City of any breach by the Corporation of any term, covenant or condition of the Sublease shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition of the Sublease.

## **Events of Default under Trust Agreement**

The terms “Events of Default” and “default” shall mean, whenever they are used in the Trust Agreement, any Event of Default specified in the Sublease.

## **Notice of Events of Default under Trust Agreement**

In the event the Corporation or the City is in default, the Trustee shall give notice of such default to the Owners, the Banks and to each Rating Agency. Such notice shall state that the Corporation or the City is in default and shall provide a brief description of such default. The Trustee in its discretion may withhold notice if it deems it in the best interests of the Owners. The notice provided for in this provision shall be given by first-class mail, postage prepaid, to the Owners within 30 days of such occurrence of default.

## **Remedies on Default under Trust Agreement**

Upon the occurrence and continuance of any Event of Default specified in the Sublease, the Trustee may, with the written consent of the Banks, proceed (and upon written request of the Banks or the Owners of not less than a majority in aggregate principal amount of the Commercial Paper Notes then Outstanding shall, subject to receipt of adequate indemnity as provided in the Trust Agreement, proceed), to exercise the remedies set forth in the Sublease or available to the Trustee under the Trust Agreement.

In addition to the remedies set forth in the preceding paragraph and upon the occurrence and continuance of any Event of Default specified in the Sublease, the Trustee may, and upon written request of the Banks or the Owners of not less than 25% in aggregate principal amount of the Commercial Paper Notes then Outstanding and upon being indemnified to its satisfaction therefor shall, proceed to protect and enforce the rights vested in Owners of the Commercial Paper Notes by the Trust Agreement by appropriate judicial proceedings or proceedings the Trustee deems most effectual. The provisions of the Trust Agreement and all resolutions or orders in the proceedings for the issuance of the Commercial Paper Notes shall constitute a contract with the Owners of the Commercial Paper Notes, and such contract may be enforced by any Owner of the Commercial Paper Notes by mandamus, injunction or other applicable legal action, suit, proceeding or other remedy.

Upon an Event of Default and prior to the curing thereof, the Trustee shall exercise the rights and remedies vested in it by the Trust Agreement and the Sublease with the same degree of care and skill as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

## **Commercial Paper Notes Not Subject to Acceleration**

The Commercial Paper Notes are not subject to acceleration and upon the occurrence of an Event of Default, none of the Issuing and Paying Agent, the Banks, any Owner or any other Person may accelerate the maturity of any of the Commercial Paper Notes.

## **Collection of Base Rental Payments**

The Trustee shall take any appropriate action to cause the City to pay any Base Rental payment not paid when due, upon written request and authorization by the Banks or the Owners of a majority in aggregate principal amount of the Commercial Paper Notes then Outstanding and unpaid, and upon being satisfactorily indemnified against any expense and liability with respect thereto and receiving payment for its fees and expenses.

### **No Remedy Exclusive**

No remedy conferred in the Trust Agreement upon or reserved to the Trustee or the Banks is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Trust Agreement and the Sublease, or now or hereafter existing at law or in equity, except as expressly waived therein. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee, the Banks or the Owners to exercise any remedy reserved to it or them, it shall not be necessary to give any notice other than such notice as may be required in the Trust Agreement with respect to Events of Default or by law.

### **No Additional Waiver Implied by One Waiver**

In the event any provision contained in the Trust Agreement should be breached by a party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach thereunder.

### **Action by Owners**

Subject to the right of the Banks to direct remedial proceedings under the Trust Agreement, in the event the Trustee fails to take any action to eliminate an event of default under the Sublease or Event of Default under the Trust Agreement, the Owners of a majority in aggregate principal amount of the Commercial Paper Notes then Outstanding may institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under the Sublease or the Trust Agreement, but only if such Owners shall have first made written request of the Trustee after the right to exercise such powers or right of action shall have arisen, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted therein or otherwise granted by law or to institute such action, suit or proceeding in its name, and unless, also, the Trustee shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

### **Direction of Remedies by Banks**

Any provision in the Trust Agreement to the contrary notwithstanding, the Trustee shall exercise the remedies provided for under the Trust Agreement or under the Sublease or under any applicable law only if and as directed or consented to in writing by all of the Banks and shall not waive any Event of Default without the prior written consent of all of the Banks; provided, that in each such instance, the Banks shall only include a Bank for only so long as the applicable Credit Facility is in effect and so long as such Bank has not failed to honor a properly presented and conforming drawing on such Credit Facility. Anything in the Trust Agreement to the contrary notwithstanding, the Banks may enter into a written agreement among the Banks appointing one of such Banks to act on their behalf (the "Bank Agent") in connection with any direction or consent provided for in the article of the Trust Agreement relating to Events of Default, and in such event any such direction or consent of the Bank Agent shall constitute the direction or consent of the Banks under such article of the Trust Agreement.

## THE LEASED PROPERTY

Pursuant to the Sublease, the City has subleased from the Corporation the Property, which consists of various City-owned properties described below: [update]

Central Facilities Building, located at 251 East Sixth Street, Los Angeles, California.

Fire Station No. 9, located at 430 E. 7th Street, Los Angeles, California.

Fire Station No. 27, located at 1327 N. Cole Avenue, Los Angeles, California.

Fire Station No. 52, located at 4957 Melrose Avenue, Los Angeles, California.

Fire Station No. 59, located at 11505 Olympic Boulevard, Los Angeles, California.

Fire Station No. 61, located at 5821 West Third Street, Los Angeles, California.

Fire Station No. 63, located at 1930 Shell Avenue, Venice, California.

Fire Station No. 68, located at 5021 W. Washington Boulevard, Los Angeles, California.

Fire Station No. 83, located at 4960 Balboa Boulevard, Encino, California.

Foothill Police Station, located at 12760 Osborne Street, Pacoima, California.

Hollywood Police Station, located at 1358 N. Wilcox Avenue, Hollywood, California.

LAPD Training Center, located at 5651 W Manchester Avenue, Westchester, California.

Newton Police Station, located at 3400 S. Central Avenue, Los Angeles, California.

North Hollywood Police Station, located at 11640 Burbank Boulevard, North Hollywood, California.

Pacific Police Station, located at 12312 Culver Boulevard, Venice, California.

West L.A. Police Station, located at 1663 Butler Avenue, Los Angeles, California.

Wilshire Police Station, located at 4861 Venice Boulevard, Los Angeles, California.

Van Nuys Headquarters Parking Structure, located at 14320 W. Sylvan Street, Van Nuys, California.

77th Street Police Station, located at 7600 S. Broadway Avenue, Los Angeles, California.

## RISK FACTORS

*The following factors, along with all other information in this Offering Memorandum should be considered by potential investors in evaluating the Tax-Exempt/Taxable Commercial Paper Notes. The Tax-Exempt/Taxable Commercial Paper Notes are payable from draws made under the applicable Letter of Credit. Accordingly, the following section does not contain information relating to the ability of the City to make Base Rental payments. In that light, risk factors relating to the financial condition of the*

*City and its ability to make Base Rental payments have not been included herein. The following discussion is not meant to be an exhaustive list of all of the risks associated with a purchase of the Tax-Exempt/Taxable Commercial Paper Notes and does not necessarily reflect the relative importance of the various risks.*

### **Expiration of Letters of Credit**

The Letters of Credit will each expire on June 30, 2025, subject to extension or earlier termination in certain circumstances as described therein. If a Letter of Credit is not extended or an Alternate Credit Facility is not obtained by the Corporation, Tax-Exempt/Taxable Commercial Paper Notes of the applicable Subseries cannot be issued with a maturity date less than five days prior to the stated expiration or termination date of such Letter of Credit unless the Corporation shall have arranged for an Alternate Credit Facility with respect to the Tax-Exempt/Taxable Commercial Paper Notes of the applicable Subseries pursuant to the terms of the Trust Agreement. There can be no assurance that the Corporation will be able to obtain an extension of any Letter of Credit or an Alternate Credit Facility. No Bank is under any obligation to extend its respective Letter of Credit beyond its scheduled expiration.

### **Bank's Obligations Unsecured**

The ability of a Bank to honor draws upon its respective Letter of Credit is based solely upon such Bank's general credit and is not collateralized or otherwise guaranteed by the United States of America or any agency or instrumentality thereof. No provision has been made for replacement of or substitution for a Letter of Credit in the event of any deterioration in the financial condition of the related Bank. Neither the Corporation nor any Bank assumes any liability to any purchaser of the Tax-Exempt/Taxable Commercial Paper Notes as a result of any deterioration of the financial condition of the related Bank. Upon any insolvency of a Bank, any claim by the Trustee against such Bank would be subject to bank receivership proceedings.

### **General Factors Affecting the Banks**

Each Bank is subject to regulation and supervision by various regulatory bodies. New regulations could impose restrictions upon a Bank which would restrict its ability to respond to competitive pressures. Various legislative or regulatory changes could dramatically impact the banking industry as a whole and a Bank specifically. The banking industry is highly competitive in many of the markets in which each Bank operates. Such competition directly impacts the financial performance of any such Bank. Any significant increase in such competition could adversely impact any such Bank.

Prospective purchasers of the Tax-Exempt/Taxable Commercial Paper Notes should evaluate the financial strength of the related Bank based upon the information contained and referred to herein under the caption "LETTER OF CREDIT BANKS" and other information available upon request from the related Bank and should not rely upon any governmental supervision by any regulatory entity.

### **Limited Obligations of the City**

**The investment decision to purchase the Tax-Exempt/Taxable Commercial Paper Notes should be made solely on the basis of the creditworthiness of the related Bank that has issued the applicable Letter of Credit from which will be paid all principal of and interest on such Tax-Exempt/Taxable Commercial Paper Notes, rather than the City.** Prospective investors should not rely on any source other than proceeds of drawings under the applicable Letter of Credit to pay the principal and actual interest accrued on such Tax-Exempt/Taxable Commercial Paper Notes. If, for any reason, the related Bank fails to honor a properly presented and conforming drawing under the applicable

Letter of Credit, the principal and actual interest accrued on such Tax-Exempt/Taxable Commercial Paper Notes may not be paid when due, and the City would have no obligation to make any payments with respect to such Tax-Exempt/Taxable Commercial Paper Notes apart from the City's obligation to make Base Rental payments as and when due, as more particularly described herein. The ratings assigned to such Tax-Exempt/Taxable Commercial Paper Notes are based on the creditworthiness of the related Bank. See "RATINGS" herein.

Provided that in no circumstances shall the City be required to pay during any Base Rental Period amounts (exclusive of Additional Rental) in excess of aggregate Maximum Base Rental for all Components for such Base Rental Period, the City has covenanted to include all Minimum Required Rental Payments, Additional Rental and Minimum Supplemental Rental Payments due under the Sublease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all Minimum Required Rental Payments, Additional Rental, and Minimum Supplemental Rental Payments, subject to the abatement provisions of the Sublease. THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE SUBLEASE, NEITHER THE NOTES NOR THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

#### **Abatement**

Except to the extent of (a) available amounts held by the Trustee in the Base Rental Account or the Issuing and Paying Agent in the Base Rental Payment Subaccounts or the Bank Reimbursement Subaccounts, (b) amounts, if any, received in respect of rental interruption insurance with respect to any Component, and (c) amounts, if any, otherwise legally available to the City for payments in respect of the Sublease or to the Issuing and Paying Agent for payments in respect of the Notes, Rental Payments due under the Sublease shall be subject to abatement during any period in which, by reason of material damage, destruction or condemnation of any Component, or defects in title to any Component, there is substantial interference with the use, occupancy or possession of any Component by the City, and the resulting Rental Payments (and such other funds) may not be sufficient to pay all of the remaining principal of and interest on the Commercial Paper Notes. See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES—Rental Abatement."

#### **No Limitation on Incurring Additional Obligations**

Neither the Sublease nor the Trust Agreement contains any legal limitations on the ability of the City to enter into other obligations that may constitute additional charges against its General Fund revenues. To the extent that the City incurs additional obligations, the funds available to make Rental Payments may be decreased. The City is currently liable on other obligations payable from General Fund revenues and is currently contemplating entering into other such obligations.

#### **Earthquake and Seismic Conditions**

The City is subject to unpredictable and significant seismic activity. A number of known faults run through the City, and the City lies near the San Andreas Fault, which is the boundary between the Pacific and North American tectonic plates. The complex Los Angeles fault system interacts with the alluvial soils and other geologic conditions in the hills and basins. This interaction appears to pose a potential seismic threat for every part of the City, regardless of the underlying geologic and soils



conditions. In addition, there are likely to be unmapped faults throughout the City. The most recent major earthquake, the Northridge earthquake in 1994, occurred along a previously unmapped blind thrust fault.

It is probable that a major earthquake will occur during the Sublease Term. A major earthquake could cause widespread destruction and significant loss of life in a populated area such as the City. If an earthquake were to substantially damage or destroy taxable property within the City, a reduction in taxable values of property in the City and a reduction in revenues available to the General Fund to make Rental Payments would be likely to occur.

Seismic activity may also affect the use and occupancy of the Property. The City generally does not maintain earthquake insurance coverage against loss or damage to City property. Instead, the City relies on its general reserves as well as the expectation that some disaster relief funds, which could be minimal amounts in comparison to the losses, will be available from the Federal Emergency Management Agency (“FEMA”) to address any resulting damage from seismic activity. The City has received a waiver from the requirement under federal law that it acquire earthquake insurance on facilities that were the beneficiaries of prior FEMA grants. There is no assurance that, in the event of an earthquake, sufficient City reserves or FEMA assistance would be available for the repair or replacement of any Component. The Sublease only requires the City to maintain earthquake insurance in an amount equal to the maximum probable loss of all Components of the Property, as determined by the City’s Risk Manager, unless, based upon the written recommendation of the City’s Risk Manager annually filed by the City with the Trustee, it is not obtainable in reasonable amounts at reasonable cost on the open market from reputable insurance companies and the City’s Risk Manager has recommended that it is not obtainable in reasonable amounts at reasonable cost on the open market from reputable insurance companies, and therefore, the City does not intend to purchase such insurance coverage during the Sublease Term. The City does not have commercial property insurance coverage for damage caused by earthquake. Thus in the event of damage to any Component cause by earthquake resulting in an abatement of Rental Payments, no rental interruption or use and occupancy insurance proceeds will be available.

### **Constitutional and Statutory Limitations on Increase of Revenues**

Article XIII A (Limitation on *Ad Valorem* Tax), Article XIII B (Government Spending Limitation), Article XIII C (Voter Approval for Local Tax Levies) and Article XIII D (Assessment and Property Related Fee Reform) of the Constitution of the State of California were each adopted as measures that qualified for the ballot pursuant to California’s initiative process. From time to time, other initiative measures may be adopted, which may affect the City’s revenues and its ability to expend said revenues. The above mentioned measures and any future measures could restrict the City’s ability to raise additional funds for its General Fund.

### **Limitations on Default Remedies**

In the event of nonpayment by the City of the Rental Payments, or other default by the City under the Sublease, the enforcement of any remedies provided in the Trust Agreement and in the Sublease by or on behalf of Owners of the Commercial Paper Notes could prove expensive and time consuming, or legally impeded. For example, the Trust Agreement and the Sublease provide that if there is a default by the City under the Sublease the Trustee may terminate the Sublease and re-let the Property, but such Property may not be easily re-leased, and any re-letting of the Property could result in lease payments that would be substantially less than the Rental Payments payable by the City under the Sublease. Furthermore, due to the essential nature of the governmental function of the Components, it is not certain whether a court would permit the exercise of the remedies of repossession and re-letting with respect to any or all of the Property. The Trustee may exercise any and all remedies available pursuant to law or the

Sublease, but the Sublease provides that there shall be no right under any circumstances to accelerate the Rental Payments not then in default to be immediately due and payable.

## **Bankruptcy**

A bankruptcy petition may be filed by the City or the Corporation. In particular, the City may file a petition under Chapter 9 (“Chapter 9”) of Title 11 of the United States Code (the “Bankruptcy Code”), provided that it complies with requirements of Section 53760 et seq. of the Government Code of the State. Under the Government Code, a local public entity, including the City, is prohibited from filing under the Bankruptcy Code unless it has participated in a specified neutral evaluation process with interested parties, as defined, or it has declared a fiscal emergency and has adopted a resolution by a majority vote of the governing board at a noticed public hearing that includes findings that the financial state of the local public entity jeopardizes the health, safety, or well-being of the residents of the local public entity’s jurisdiction or service area absent bankruptcy protections.

If the City were to become a municipal debtor under Chapter 9 of the Bankruptcy Code, the City would be entitled to all of the protections afforded a municipal debtor under the Bankruptcy Code, and an Owner of a Commercial Paper Note would be treated as a creditor. Possible adverse effects of a municipal bankruptcy include, but are not limited to: (a) the application of the automatic stay provisions of the Bankruptcy Code which, absent court approval, generally prohibit the commencement of any judicial or other action in non-bankruptcy court to recover a pre-petition claim against the City, any act to collect on a pre-petition claim, or any act to obtain possession of the municipal debtor’s property; (b) the avoidance of preferential transfers occurring during the relevant period prior to the commencement of the bankruptcy case; (c) the existence of secured and/or unsecured creditors with allowed claims that may have priority over any claims of Owners of Commercial Paper Notes; and (d) the possibility of the bankruptcy court’s confirmation of a plan of adjustment of the City’s debts, which may restructure, delay, compromise or reduce the amount of the claim of the Owners. As a result of the commencement of a bankruptcy case by either the City or the Corporation, Owners of the Commercial Paper Notes could experience delays in receiving payments of principal of and interest on the Commercial Paper Notes, as well as partial or total losses of their investments in the Commercial Paper Notes. In addition, under the Bankruptcy Code, certain provisions of the Sublease that are based on the bankruptcy, insolvency or financial condition of the City may be rendered unenforceable.

Under the Trust Agreement, the Trustee, on behalf of the Owners of the Commercial Paper Notes and the Banks, has a security interest in the Pledged Property, including Base Rental, but such security interest arises only when and as received by the Corporation and deposited with the Trustee following payment by the City. The Property is not subject to a security interest, mortgage or any other lien in favor of the Trustee for the benefit of the Owners of the Commercial Paper Notes and the Banks. In the event a bankruptcy court determines that the Sublease is an unexpired lease for purposes of the Bankruptcy Code, certain provisions of the Bankruptcy Code could impact the rights and remedies of the parties, and would allow the City to reject the Sublease, which would give rise to the Trustee’s unsecured claim for unpaid rent, affect the enforceability of certain provisions of the Sublease, and have an adverse effect on the liquidity and market value of the Commercial Paper Notes.

The various legal opinions to be delivered concurrently with the Commercial Paper Notes (including Note Counsel’s approving opinion) will be qualified as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by general principles of equity applied in the exercise of judicial discretion.

## **Insurance**

The Property is subject to a variety of risks of loss. Certain of these risks are described in “Environmental Concerns” below. The City directly assumes certain insurable risks without procuring commercial insurance policies. The City administers, adjusts, settles, defends and pays claims from budgeted resources. It is self-insured for workers’ compensation as permitted under State law. Funds are budgeted annually to provide for claims and other liabilities based both on the City’s historical record of payments and an evaluation of known or anticipated claims. See “SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES - Insurance” above. The Sublease permits the insurance requirements therein (other than rental interruption insurance) to be satisfied by a combination of commercial insurance and a program of self-insurance or alternative risk management approved as reasonable and appropriate by the City’s Risk Manager. See “SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES — Insurance” above. The City currently intends to satisfy its insurance obligations under the Sublease with commercial insurance. The Sublease does not require the City to insure or self-insure against every potential risk of loss and there is a risk that damage or destruction of the Property could occur for which no insurance or City funds will be available. Such insurance does not cover, for example, acts of terrorism or certain other casualties. For example, the Property could be damaged or destroyed due to earthquake or other casualty for which the Property is uninsured. Under such circumstances, an abatement of Rental Payments could occur and could continue indefinitely.

There can be no assurance that the insurance providers will pay claims under the respective policies promptly or at all, should a claim be made by the City in connection with loss or damage to a Component under such policies. It is possible that an insurance provider will refuse to pay a claim, especially if it is substantial, and force the City to sue to collect on or settle the insurance claim. Further, there can be no assurances that amounts received as proceeds from insurance will be sufficient to pay and retire Notes Outstanding and to pay other amounts owing to the Banks as required by the Trust Agreement. The City believes that the insurance arrangements provided in the Sublease will be adequate to reasonably protect the City from the various liabilities that arise from use of the Property and to provide for the payment of Rental Payments in the event that the City loses beneficial use of the Property due to risks for which fire and extended coverage insurance has been obtained. However, no assurance can be given that such insurance arrangements will cover all events causing damage or will be adequate to cover the payment of Rental Payments in all circumstances.

## **Eminent Domain**

If any Component, or any portion thereof, shall be taken under the power of eminent domain, there can be no assurance that condemnation proceeds will be available promptly or that the resulting Base Rental payments on the unaffected portions of the Property payable pursuant to the Sublease in any Base Rental Period following the application of such amounts will be sufficient to pay the principal of and interest on the Commercial Paper Notes as and when due.

## **Environmental Concerns**

Owners or operators of real property may be required by law to remedy conditions of a property relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response Compensation and Liability Act of 1980 or the “Superfund Act” is the most widely applicable of these laws, but California laws with regard to hazardous substances are also stringent. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition on the property whether or not the owner or operator created the hazardous substance condition.

## **Loss of Tax Exemption**

As discussed under the heading “TAX MATTERS,” certain acts or omissions of the City in violation of its covenants in the Trust Agreement, the Sublease and the Tax Certificate relating to the Series A Commercial Paper Notes could result in the interest on the Series A Commercial Paper Notes being includable in gross income for purposes of federal income taxation retroactive to the deemed date of issuance of the Series A Commercial Paper Notes. Should such an event of taxability occur, the Series A Commercial Paper Notes would not be subject to a special prepayment and would remain Outstanding until maturity.

## **No Liability of Corporation to the Owners**

Except as expressly provided in the Trust Agreement, the Corporation will not have any obligation or liability to the Owners of the Commercial Paper Notes with respect to the payment when due of the Rental Payments by the City, or with respect to the performance by the City of other agreements and covenants required to be performed by it contained in the Sublease or the Trust Agreement, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

## **MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES**

The Municipal Improvement Corporation of Los Angeles is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (Title 1, Division 2, Part 2 of the California Corporations Code) for the purpose of providing financial assistance to the City by financing, acquiring, constructing, improving, leasing and developing certain equipment and property for the benefit of the public. The Corporation was formed at the request of the City in 1984. The Corporation is governed by a five-member Board of Directors (the “MICLA Board”). MICLA Board members were initially appointed by the Mayor in 1984. Appointments to fill subsequent vacancies are made by the MICLA Board, subject to City Council approval. The MICLA Board members do not receive compensation. The City indemnifies MICLA Board members for any liabilities occurring in connection with the performance of their duties.

## **CITY OF LOS ANGELES**

The City was incorporated in 1781. The original Charter of the City was adopted in 1850, and the current Charter of the City was adopted in 1999, with an effective date of July 1, 2000. The City is the second most populous city in the United States of America with an estimated 2021 population of approximately 3.92 million persons. With an area of 470 square miles, the City is located in the southern part of the State of California and is the principal city of a metropolitan region stretching from the City of Ventura to the north, the City of San Clemente to the south, the City of San Bernardino to the east, and the Pacific Ocean to the west.

The City is governed by the Mayor and the City Council. The Mayor is elected at-large for a four-year term. As executive officer of the City, the Mayor has the overall responsibility for administration of the City. The Mayor recommends and submits the annual budget to the Council and passes upon subsequent appropriations and transfers, approves or vetoes ordinances, and appoints certain City officials and commissioners. The Mayor supervises the administrative process of local government and works with the Council in matters relating to legislation, budget, and finance. The Mayor operates an executive department, of which he is the ex-officio head. The City Council, the legislative body of the City, is a full-time council. The City Council enacts ordinances subject to the approval of the Mayor and may override the veto of the Mayor by a two-thirds vote. The City Council orders elections, levies taxes,

approves utility rates, authorizes public improvements, approves contracts, adopts zoning and other land use controls, and adopts traffic regulations. The City Council adopts or modifies the budget proposed by the Mayor. It authorizes the number of employees in budgetary departments, creates positions and fixes salaries. The City Council consists of 15 members elected by district for staggered four-year terms. The Charter of the City provides for an independently elected City Attorney and independently elected City Controller, both elected for four-year terms. The City Attorney is attorney and legal advisor to the City and to all City boards, departments, officers, and entities, and prosecutes misdemeanors and violations of the Charter and City ordinances. The Controller is the chief accounting officer for the City.

The City provides a full range of governmental services, which include police; fire and paramedics; residential refuse collection and disposal, wastewater collection and treatment, street maintenance, traffic management, storm water pollution abatement, and other public works functions; enforcement of ordinances and statutes relating to building safety; public libraries; recreation and parks and cultural events; community development; housing and aging services; and planning. The City also operates and maintains the water and power utilities, harbor and airport, all served by proprietary departments within the City.

THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE SUBLEASE, NEITHER THE NOTES NOR THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

## **FINANCIAL STATEMENTS**

The City's Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2021 (the "Financial Statements"), including the Independent Auditor's Report, are available on the City's website at [http://controller.lacity.org/City\\_Fiscal\\_Reports/index.htm](http://controller.lacity.org/City_Fiscal_Reports/index.htm) by selecting the link entitled "Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2021." No other information from such website is incorporated by reference into this Offering Memorandum. The Financial Statements and Independent Auditor's Report have been filed by the City with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) site at <http://emma.msrb.org>. No other information from such website is incorporated by reference into this Offering Memorandum. The Financial Statements have been audited by Simpson & Simpson, independent auditors. Simpson & Simpson has not consented to the inclusion by reference of its auditor's report in this Offering Memorandum and Simpson & Simpson has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Offering Memorandum, and no opinion is expressed by Simpson & Simpson or any other auditor with respect to any event subsequent to the date of its report.

## **FINANCIAL ADVISOR**

KNN Public Finance, LLC, Oakland, California, and Montague DeRose and Associates, LLC, Westlake Village, California, are serving as Co-Financial Advisors to the City in connection with the authorization and issuance of the Tax-Exempt/Taxable Commercial Paper Notes. In connection with this Offering Memorandum, the Co-Financial Advisors have relied upon officials of the City and the Corporation and other sources, who have access to relevant data to provide accurate information for the Offering Memorandum, and the Co-Financial Advisors have not been engaged, nor have they undertaken,

to independently verify the accuracy of such information. Neither Co-Financial Advisor is a public accounting firm nor has either been engaged by the City or the Corporation to compile, review, examine or audit any information in the Offering Memorandum.

## **DEALERS**

BofA Securities, Inc., Samuel A. Ramirez & Co., Inc. and U.S. Bancorp Investments, Inc. are serving as Dealers for the Tax-Exempt/Taxable Commercial Paper Notes.

US Bancorp is the marketing name of U.S. Bancorp and its subsidiaries, including U.S. Bancorp Investments, Inc. (“USBII”), which is serving as one of the Dealers for the Commercial Paper Notes and U.S. Bank National Association, as the Tax Exempt Series A-3/Taxable Series B-3 Bank.

## **CERTAIN LEGAL MATTERS**

Certain legal matters in connection with the authorization and issuance of the Tax-Exempt/Taxable Commercial Paper Notes are subject to the approval of Hawkins Delafield & Wood LLP, Los Angeles, California, Note Counsel. Attached to this Offering Memorandum as Appendix A-1 and A-2 are proposed forms of the opinions of Note Counsel to be delivered upon the issuance of the Commercial Paper Notes on June 8, 2022. Certain legal matters will be passed upon for the Corporation and the City by Nixon Peabody LLP, San Francisco, California, Special Tax Counsel. Attached to this Offering Memorandum as Appendix B-1 and B-2 are proposed forms of the opinions of Special Tax Counsel to be delivered upon the issuance of the Commercial Paper Notes on June 8, 2022. Certain legal matters will be passed on by Hawkins Delafield & Wood LLP, Los Angeles, California, as disclosure counsel to the City, and for the City and the Corporation by Michael N. Feuer, City Attorney. Certain legal matters relating to the Letters of Credit and the Reimbursement Agreements will be passed upon for the Banks by Chapman and Cutler LLP, Chicago, Illinois, Special Counsel to the Banks.

## **CERTAIN RELATIONSHIPS**

Bank of America, N.A., as the Tax Exempt Series A-2/Taxable Series B-2 Bank, subject to the terms and conditions of the Tax Exempt Series A-2/Taxable Series B-2 Reimbursement Agreement, will extend the Tax Exempt Series A-2/Taxable Series B-2 Letter of Credit, in support of the payment of the Tax Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes. BofA Securities, Inc., one of the Dealers for the Commercial Paper Notes and Bank of America, N.A., the Tax Exempt Series A-2/Taxable Series B-2 Bank, are both wholly-owned, indirect subsidiaries of Bank of America Corporation. The Tax Exempt Series A-2/Taxable Series B-2 Bank and BofA Securities, Inc., as one of the Dealers for the Commercial Paper Notes, will have separate responsibilities and duties in connection with the issuance, the sale, and the payment of the Tax Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes.

U.S. Bank National Association, as the Tax Exempt Series A-3/Taxable Series B-3 Bank, subject to the terms and conditions of the Tax Exempt Series A-3/Taxable Series B-3 Reimbursement Agreement, will extend the Tax Exempt Series A-3/Taxable Series B-3 Letter of Credit, in support of the payment of the Tax Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes. U.S. Bank Trust Company, National Association, a direct wholly-owned subsidiary of U.S. Bank National Association, is also serving as Trustee and Issuing and Paying Agent for the Commercial Paper Notes. U.S. Bancorp Investments, Inc., one of the Dealers for the Commercial Paper Notes and U.S. Bank National Association, the Tax Exempt Series A-3/Taxable Series B-3 Bank, are both wholly-owned subsidiaries of U.S. Bancorp. The Tax Exempt Series A-3/Taxable Series B-3 Bank and U.S. Bank Trust Company, National Association, as the Trustee and the Issuing and Paying Agent for the Commercial Paper Notes, will have separate responsibilities and duties in connection with the issuance, the sale, and the payment of

the Tax Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes. The Tax Exempt Series A-3/Taxable Series B-3 Bank and US Bancorp, as one of the Dealers for the Commercial Paper Notes, will have separate responsibilities and duties in connection with the issuance, the sale, and the payment of the Tax Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes.

## TAX MATTERS

### **Tax Matters-Series A Commercial Paper Notes (Federally Tax-Exempt)**

**Federal Income Taxes.** The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series A Commercial Paper Notes for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series A Commercial Paper Notes to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series A Commercial Paper Notes. Pursuant to the Trust Agreement and the Tax Certificate, the Corporation has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series A Commercial Paper Notes from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Corporation has made certain representations and certifications in the Issuing and Payment Agent Agreement and the Tax Certificate. Special Tax Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Special Tax Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Corporation described above, interest on the Series A Commercial Paper Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code. Special Tax Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

**Ancillary Tax Matters.** Ownership of the Series A Commercial Paper Notes may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series A Commercial Paper Notes. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series A Commercial Paper Notes is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Series A Commercial Paper Notes may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Special Tax Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinion attached as Appendix B-1. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series A Commercial Paper Notes, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

***Changes in Law and Post Issuance Events.*** Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series A Commercial Paper Notes for federal or state income tax purposes, and thus on the value or marketability of the Series A Commercial Paper Notes. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series A Commercial Paper Notes from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series A Commercial Paper Notes may occur. Prospective purchasers of the Series A Commercial Paper Notes should consult their own tax advisors regarding the impact of any change in law on the Series A Commercial Paper Notes.

Special Tax Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series A Commercial Paper Notes may affect the tax status of interest on the Series A Commercial Paper Notes. Special Tax Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series A Commercial Paper Notes, or the interest thereon, if any action is taken with respect to the Series A Commercial Paper Notes or the proceeds thereof upon the advice or approval of other counsel.

The opinion of Special Tax Counsel described herein shall be deemed in effect on each Business Day during which a Commercial Paper Note is outstanding to the extent that (i) there is no change in applicable existing State or federal law, (ii) the Trust Agreement, in the form in effect on the date of such opinion, remains in full force and effect, (iii) the representations and covenants of the parties contained in the Trust Agreement, the Issuing and Paying Agent Agreement, the Dealer Agreement, the Tax Certificate and certain certificates dated the date of an opinion of Special Tax Counsel and delivered by authorized officers of the Corporation remain true and accurate and are complied with in all material respects, (iv) no litigation affecting the issuance or validity of the Commercial Paper Notes is pending at the time of delivery of any such Commercial Paper Notes and (v) Nixon Peabody LLP continues to serve as Special Tax Counsel to the Corporation in connection with the issuance of such Commercial Paper Notes.

#### **Tax Matters-Series B Commercial Paper Notes (Federally Taxable)**

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series B Commercial Paper Notes. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. The summary generally addresses the Series B Commercial Paper Notes held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series B Commercial Paper Notes as a hedge against currency risks or as a position in a “straddle,” “hedge,” “constructive sale transaction” or “conversion transaction” for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers except where otherwise specifically noted. Potential purchasers of the Series B Commercial Paper Notes should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series B Commercial Paper Notes.



**Generally.** Interest on the Series B Commercial Paper Notes is not excluded from gross income for federal income tax purposes under Section 103 of the Code and so will be fully subject to federal income taxation.

Purchasers other than those who purchase Series B Commercial Paper Notes in the initial offering at their principal amounts will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series B Commercial Paper Notes. In general, interest paid on the Series B Commercial Paper Notes will be treated as ordinary income to a Holder, and after adjustment for the foregoing principal payments will be treated as a return of capital.

**Acquisition Discount.** Certain [Owner/Holder] who purchase Series B Commercial Paper Notes at a price resulting in an adjusted basis that is less than the remaining redemption amount of such Series B Commercial Paper Notes will have acquisition discount that may be included in gross income prior to the final maturity of such Series B Commercial Paper Notes. Acquisition discount will be treated as accruing ratably or, at the election of the Owner, under a constant yield method based on daily compounding. Purchasers of any Series B Commercial Paper Notes who acquire such Series B Commercial Paper Notes at a discount should consult with their own tax advisors with respect to the timing of gross income under applicable federal income tax law and as to the state and local tax consequences of owning such Series B Commercial Paper Notes.

**Note Premium.** A purchaser of a Series B Commercial Paper Note who purchases such Series B Commercial Paper Note at a cost greater than its remaining redemption amount will have amortizable note premium. If the Owner elects to amortize this premium under Section 171 of the Code (which election will apply to all Series B Commercial Paper Notes held by the Owner on the first day of the taxable year to which the election applies and to all Series B Commercial Paper Notes thereafter acquired by the Owner), such an Owner must amortize the premium using constant yield principles based on the Owner's yield to maturity. Amortizable note premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable note premium that is applied to reduce interest payments. Purchasers of any Series B Commercial Paper Notes who acquire such Series B Commercial Paper Notes at a premium should consult with their own tax advisors with respect to state and local tax consequences of owning such Series B Commercial Paper Notes.

**Sale or Redemption of Series B Commercial Paper Notes.** An Owner's tax basis for a Series B Commercial Paper Note is the price such owner pays for the Series B Commercial Paper Note plus the amount of acquisition discount previously included in income and reduced on account of any payments received on such Series B Commercial Paper Note other than "qualified stated interest" (as defined in the Code and the corresponding regulations) and any amortized note premium. Gain or loss recognized on a sale, exchange or redemption of a Series B Commercial Paper Note, measured by the difference between the amount realized and the Series B Commercial Paper Note basis as so adjusted, will generally give rise to capital gain or loss if the Series B Commercial Paper Note is held as a capital asset.

If the terms of the Series B Commercial Paper Notes are materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those which relate to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. The defeasance of the Series B Commercial Paper Notes may also result in a deemed sale or exchange of such Series B Commercial Paper Notes under certain circumstances.

**Information Reporting and Backup Withholding.** An Owner may, under certain circumstances, be subject to "backup withholding" at the applicable rate on, and to information reporting requirements with respect to, payments of principal or interest on, and to proceeds from the sale, exchange or

retirement of, Series B Commercial Paper Notes. This backup withholding generally applies if the owner of a Series B Commercial Paper Note (a) fails to furnish the Trustee or other payor with its taxpayer identification number; (b) furnishes the Trustee or other payor an incorrect taxpayer identification number; (c) fails to report properly interest, dividends or other “reportable payments” as defined in the Code; or (d) under certain circumstances, fails to provide the Trustee or other payor with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the Owner is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to Owners, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents (as defined below). Owners of the Series B Commercial Paper Notes should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

The amount of “reportable payments” for each calendar year and the amount of tax withheld, if any, with respect to payments on the Series B Commercial Paper Notes will be reported to the Owners and to the IRS.

***Nonresident Holders.*** Under the Code, interest income with respect to Series B Commercial Paper Notes held by nonresident alien individuals, foreign corporations or other non-United States persons (“Nonresidents”) generally will not be subject to United States withholding tax (including backup withholding) if the City (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the Series B Commercial Paper Notes is a Nonresident. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a Nonresident Owner, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

***Surtax on Unearned Income.*** Recently enacted legislation generally imposes a tax of 3.8% on the “net investment income” of certain individuals, trusts and estates for taxable years beginning after December 31, 2012. Among other items, net investment income generally includes gross income from interest and net gain attributable to the disposition of certain property, less certain deductions. U.S. Owners should consult their own tax advisors regarding the possible implications of this legislation in their particular circumstances.

***ERISA.*** The Employees Retirement Income Security Act of 1974, as amended (“ERISA”), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the “Plans”) and persons who, with respect to a Plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. All fiduciaries of Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Series B Commercial Paper Notes.

A copy of the proposed form of opinion of Special Tax Counsel is attached hereto as Appendix B-1.

### **State Taxes (Series A Commercial Paper Notes and Series B Commercial Paper Notes)**

Special Tax Counsel is also of the opinion that interest on the Commercial Paper Notes is exempt from personal income taxes of the State under present State law. Special Tax Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Commercial Paper Notes nor as to the taxability of the Commercial Paper Notes or the income therefrom under the laws of any state other than California.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE COMMERCIAL PAPER NOTES.

## RATINGS

Moody's Investors Service, Inc., S&P Global Ratings and Fitch Ratings, Inc. have assigned their short-term ratings to the Tax-Exempt/Taxable Commercial Paper Notes as set below based upon the issuance of the applicable Letter of Credit supporting the payment of the principal amount due and payable at the stated maturity of each applicable Subseries of Commercial Paper Notes and interest accrued or to accrue thereon through the maturity dates thereof by BMO Harris Bank N.A., Bank of America, N.A. and U.S. Bank National Association, respectively.

|  |          | <u>Short-Term<br/>Rating</u> |
|--|----------|------------------------------|
| Tax-Exempt Series A-1/Taxable Series B-1<br>Commercial Paper Notes | Moody's: | P-1                          |
|  | S&P:     | A-1                          |
|  | Fitch:   | F1+                          |
| Tax-Exempt Series A-2/Taxable Series B-2<br>Commercial Paper Notes | Moody's: | P-1                          |
|  | S&P:     | A-1                          |
|  | Fitch:   | F1+                          |
| Tax-Exempt Series A-3/Taxable Series B-3<br>Commercial Paper Notes | Moody's: | P-1                          |
|  | S&P:     | A-1+                         |
|  | Fitch:   | F1+                          |

Such ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that a rating will continue for any given period of time or that a rating will not be revised or withdrawn entirely by any or all of such rating agencies, if, in its or their judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market prices of the Tax-Exempt/Taxable Commercial Paper Notes of the applicable Subseries.

## LITIGATION

There is no action, suit or proceeding pending (with service of process having been given) against the City or the Corporation or, to their knowledge, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Commercial Paper Notes, or in any way contesting or affecting the validity of the Commercial Paper Notes or any proceedings of the City or the Corporation taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Commercial Paper Notes, or challenging the corporate existence of the City or the Corporation or the entitlement to their respective offices of the officers of the City or the Corporation who will execute the Commercial Paper Notes and other agreements in connection therewith.

## BOOK-ENTRY SYSTEM

*The information concerning The Depository Trust Company and DTC's book entry system has been obtained from DTC and the Corporation takes no responsibility for the completeness or accuracy thereof. The Corporation cannot and does not give any assurances that DTC, Direct Participants (as*

*defined herein) or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (as defined herein) (a) payments of principal or interest with respect to the Tax-Exempt/Taxable Commercial Paper Notes, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Tax-Exempt/Taxable Commercial Paper Notes or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Tax-Exempt/Taxable Commercial Paper Notes, or that they will so do on a timely basis, or that DTC, Direct Participants or Indirect Participants will act in the manner described herein. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

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

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

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

Paper Notes, except in the event that use of the book-entry system for the Tax-Exempt/Taxable Commercial Paper Notes is discontinued.

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

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

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

Payments of principal of and interest on the Tax-Exempt/Taxable Commercial Paper Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Issuing and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuing and Paying Agent or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Tax-Exempt/Taxable Commercial Paper Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

None of the Corporation, the City, the Dealers, the Issuing and Paying Agent or the Banks can give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of principal of and interest on the Tax-Exempt/Taxable Commercial Paper Notes paid to DTC or its

nominee, as the registered Owner, or any notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Offering Memorandum.

DTC may discontinue providing its services as depository with respect to the Tax-Exempt/Taxable Commercial Paper Notes at any time by giving reasonable notice to the Corporation or the Issuing and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Tax-Exempt/Taxable Commercial Paper Note certificates are required to be printed and delivered.

The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Tax-Exempt/Taxable Commercial Paper Note certificates will be printed and delivered to DTC.

In the event that the book-entry system is discontinued as described above, the requirements of the Trust Agreement will continue to apply. The foregoing information concerning DTC and DTC's book-entry system has been obtained from DTC, and none of the Corporation, the City, the Dealers, the Issuing and Paying Agent or the Banks take any responsibility for the accuracy thereof.

### **ADDITIONAL INFORMATION**

This Offering Memorandum contains certain information for quick reference only; it is not a summary of the terms of the Tax-Exempt/Taxable Commercial Paper Notes. Information essential to the making of an informed decision with respect to the Tax-Exempt/Taxable Commercial Paper Notes may be obtained in the manner described herein. All references to the documents and other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials referenced which may be obtained in the manner described herein.

Copies of the Trust Agreement, the Issuing and Paying Agent Agreement, the Site Lease, Sublease, the Assignment Agreement, the Dealer Agreements, the Letters of Credit and the Reimbursement Agreements may be obtained from the Corporation at the following address:

Municipal Improvement Corporation of Los Angeles  
c/o City Administrative Officer  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012  
Attention: Ha To  
Phone: (213) 473-7529  
Facsimile: (213) 473-7511

**APPENDIX A-1**

**PROPOSED FORM OF NOTE COUNSEL OPINION**

June 8, 2022

Municipal Improvement Corporation of Los Angeles  
Los Angeles, California

City of Los Angeles  
Los Angeles, California

Ladies and Gentlemen:

We have acted as Note Counsel to the Municipal Improvement Corporation of Los Angeles (the “Corporation”) and the City of Los Angeles (the “City”) in connection with the issuance and delivery from time to time of the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (the “Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$425,000,000. The Commercial Paper Notes are to be issued and delivered from time to time pursuant to the Fourth Amended and Restated Trust Agreement, dated as of June 1, 2019, as amended by the First Amendment to Fourth Amended and Restated Trust Agreement, dated as of June 1, 2022 (as so amended and as it may be further amended from time to time, the “Trust Agreement”), each by and among the Corporation, the City and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), and the Fourth Amended and Restated Issuing and Paying Agent Agreement, dated as of June 1, 2019 (as amended from time to time, the “Issuing and Paying Agent Agreement”), by and among U.S. Bank Trust Company, National Association, as successor issuing and paying agent thereunder (the “Issuing and Paying Agent”), the Corporation and the City. The Commercial Paper Notes may be issued and delivered from time to time as Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-1 (the “Tax-Exempt Series A-1 Commercial Paper Notes”) and Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Taxable Series B-1 (the “Taxable Series B-1 Commercial Paper Notes” and together with the Tax-Exempt Series A-1 Commercial Paper Notes, the “Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$150,000,000, as Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-2 (the “Tax-Exempt Series A-2 Commercial Paper Notes”) and Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Taxable Series B-2 (the “Taxable Series B-2 Commercial Paper Notes” and together with the Tax-Exempt Series A-2 Commercial Paper Notes, the “Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$100,000,000 or as Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-3 (the “Tax-Exempt Series A-3 Commercial Paper Notes”) and Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Taxable Series B-3 (the “Taxable Series B-3 Commercial Paper Notes” and together with the Tax-Exempt Series A-3 Commercial Paper Notes, the “Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$175,000,000.

In connection with the Commercial Paper Notes, the City has leased certain parcels of land, together with the buildings and improvements located thereon, to the Corporation pursuant to the Amended and Restated Site Lease, dated as of June 1, 2019, as amended by the First Amendment to

Amended and Restated Site Lease, dated as of June 1, 2022 (as so amended and as it may be further amended from time to time, the “Site Lease”), each by and between the City and the Corporation. The Corporation in turn has subleased such parcels of land, together with the buildings and improvements located thereon, to the City pursuant to the terms of the Amended and Restated Sublease, dated as of June 1, 2019, as amended by the First Amendment to Amended and Restated Sublease, dated as of June 1, 2022 (as so amended and as it may be further amended from time to time, the “Sublease”), each by and between the Corporation and the City, and has assigned its right, title and interest in and to certain property pledged therefor under the Trust Agreement to the Trustee for the benefit of the Owners of the Commercial Paper Notes and the Banks (as such terms are defined in the Trust Agreement) pursuant to the Amended and Restated Assignment Agreement, dated as of June 1, 2019, as amended by the First Amended to Amended and Restated Assignment Agreement, dated as of June 1, 2022 (as so amended and as it may be further amended from time to time, the “Assignment Agreement”), each by and between the Corporation and the Trustee. All capitalized terms not defined herein shall have the respective meanings ascribed thereto in the Trust Agreement and the Sublease.

The Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes to be issued and delivered from time to time are entitled to the benefit of, and payments made pursuant to, that certain irrevocable direct-pay letter of credit issued by BMO Harris Bank N.A. (the “Tax-Exempt Series A-1/Taxable Series B-1 Bank”) on June 21, 2019, as extended by that certain notice of extension of letter of credit expiration date, including any further amendments thereto (as so extended and as it may be further amended from time to time, the “Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019, as amended by the First Amendment to Letter of Credit and Reimbursement Agreement, dated June [8], 2022 (as so amended, the “Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement”), each by and among the Corporation, the City and the Tax-Exempt Series A-1/Taxable Series B-1 Bank. Upon satisfaction of the requirements of the Trust Agreement, the Corporation may replace the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit with an Alternate Credit Facility.

The Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes to be issued and delivered from time to time are entitled to the benefit of, and payments made pursuant to, that certain irrevocable direct-pay letter of credit issued by Bank of America, N.A. (the “Tax-Exempt Series A-2/Taxable Series B-2 Bank”) on June 21, 2019, as extended and amended by that certain notice of extension of letter of credit expiration date and amendment and that certain notice of extension of letter of credit expiration date, including any further amendments thereto (as so extended and as it may be further amended from time to time, the “Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit”) pursuant to the Amended and Restated Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019, as amended by the First Amendment to Amended and Restated Letter of Credit and Reimbursement Agreement, dated June [8], 2022 (as so amended, the “Tax-Exempt Series A-2/Taxable Series B-2 Reimbursement Agreement”), each by and among the Corporation, the City and the Tax-Exempt Series A-2/Taxable Series B-2 Bank. Upon satisfaction of the requirements of the Trust Agreement, the Corporation may replace the Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit with an Alternate Credit Facility.

The Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes to be issued and delivered from time to time are entitled to the benefit of, and payments made pursuant to, that certain irrevocable direct-pay letter of credit issued by U.S. Bank National Association (the “Tax-Exempt Series A-3/Taxable Series B-3 Bank”) on June 21, 2019, as extended by that certain notice of extension of letter of credit expiration date, including any further amendments thereto (as so extended and as it may be further amended from time to time, the “Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit” and together with the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and the Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit, the “Letters of Credit”) pursuant to the Letter of Credit



and Reimbursement Agreement, dated as of June 1, 2019, as amended by the First Amendment to Letter of Credit and Reimbursement Agreement, dated June [8], 2022 (as so amended, the “Tax-Exempt Series A-3/Taxable Series B-3 Reimbursement Agreement” and together with the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement and the Tax-Exempt Series A-2/Taxable Series B-2 Reimbursement Agreement, the “Reimbursement Agreements”), each by and among the Corporation, the City and the Tax-Exempt Series A-3/Taxable Series B-3 Bank. Upon satisfaction of the requirements of the Trust Agreement, the Corporation may replace the Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit with an Alternate Credit Facility.

In rendering this opinion, we have reviewed the record of the actions taken by the Corporation and the City in connection with the issuance and delivery of the Tax-Exempt Series A-1 Commercial Paper Notes, the Tax-Exempt Series A-2 Commercial Paper Notes and the Tax-Exempt Series A-3 Commercial Paper Notes (collectively, the “Tax-Exempt Series A Commercial Paper Notes”). We have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such documents, instruments, or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

We are of the opinion that:

1. The Tax-Exempt Series A Commercial Paper Notes, when issued from time to time as provided in the Trust Agreement and the Issuing and Paying Agent Agreement, will constitute the valid and binding limited obligations of the Corporation, enforceable in accordance with their terms and the terms of the Trust Agreement and the Issuing and Paying Agent Agreement.

2. The Trust Agreement has been duly authorized, executed and delivered by, and constitutes the valid and binding obligation of, the City and the Corporation, and, assuming due authorization, execution and delivery by the Trustee, is enforceable against the City and the Corporation in accordance with its terms.

3. The Site Lease and the Sublease have been duly authorized, executed and delivered by the City and the Corporation and constitute the valid and binding obligations of the City and the Corporation and are enforceable against the City and the Corporation in accordance with their respective terms.

4. The Assignment Agreement has been duly authorized, executed and delivered by, and constitutes the valid and binding obligation of, the Corporation, and, assuming due execution by the other parties thereto, is enforceable against the Corporation in accordance with its terms.

We have not been requested to investigate, examine, review or opine as to any matter relating to the federal, state or local tax consequences with respect to the Tax-Exempt Series A Commercial Paper Notes or the ownership or disposition thereof. In rendering this opinion, we are not passing upon the treatment of the Tax-Exempt Series A Commercial Paper Notes (including interest thereon) for federal, state or local tax purposes, we have not reviewed any matter or conducted any investigation or examination relating thereto and we take no responsibility therefor. We express no opinion as to any federal, state or local tax consequences arising with respect to the Tax-Exempt Series A Commercial Paper Notes or the ownership or disposition thereof.

We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion after the date hereof to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason.

Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves.

This letter is furnished by us as Note Counsel and is solely for your benefit and it is not to be used, circulated, quoted, or otherwise referred to for any purposes other than the issuance and delivery of the Tax-Exempt Series A Commercial Paper Notes and may not be relied upon by any other person or entity without our express written permission, except that references may be made to it in any list of closing documents pertaining to the issuance and delivery of the Tax-Exempt Series A Commercial Paper Notes.

The foregoing opinions are qualified to the extent that the rights of the Owners of the Tax-Exempt Series A Commercial Paper Notes and the enforceability of the Tax-Exempt Series A Commercial Paper Notes, the Trust Agreement, the Site Lease, the Sublease and the Assignment Agreement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and are subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law). We express no opinion regarding the availability of equitable remedies.

We express no opinion as Note Counsel regarding the accuracy, adequacy or completeness of the Offering Memorandum relating to the Tax-Exempt Series A Commercial Paper Notes.

You may rely on this opinion as to any Tax-Exempt Series A Commercial Paper Notes issued on or after the date hereof to the extent that, at the date of issuance of such Tax-Exempt Series A Commercial Paper Notes, (i) we have not advised you that this opinion may no longer be relied upon with respect to such Tax-Exempt Series A Commercial Paper Notes, (ii) there is no change or proposed change in pertinent law from that in effect on the date hereof, (iii) the facts upon which this opinion is based do not change in any way material to this opinion, (iv) the representations, warranties and covenants contained in the Trust Agreement, the Issuing and Paying Agent Agreement, the Sublease, and other documents executed and delivered by the Corporation and the City in connection with the Tax-Exempt Series A Commercial Paper Notes and the certificates executed and delivered by the Corporation and the City in connection with the Tax-Exempt Series A Commercial Paper Notes remain true and correct and the Corporation and the City continue to comply with their respective covenants in such documents and certificates, (v) no amendment has been made to the Trust Agreement, the Site Lease, the Sublease, the Issuing and Paying Agent Agreement, any of the Letters of Credit or the Reimbursement Agreements or any of the Tax-Exempt Series A Commercial Paper Notes without our prior written consent, and (vi) no litigation affecting the issuance, legality, validity or enforceability in accordance with their respective terms of the Tax-Exempt Series A Commercial Paper Notes is pending or threatened at the time of delivery of any such Tax-Exempt Series A Commercial Paper Notes. We undertake no obligation to determine, at any time, whether the conditions described in this paragraph have been met.

Very truly yours,

## APPENDIX A-2

### PROPOSED FORM OF NOTE COUNSEL OPINION

June 8, 2022

Municipal Improvement Corporation of Los Angeles  
Los Angeles, California

City of Los Angeles  
Los Angeles, California

Ladies and Gentlemen:

We have acted as Note Counsel to the Municipal Improvement Corporation of Los Angeles (the “Corporation”) and the City of Los Angeles (the “City”) in connection with the issuance and delivery from time to time of the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (the “Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$425,000,000. The Commercial Paper Notes are to be issued and delivered from time to time pursuant to the Fourth Amended and Restated Trust Agreement, dated as of June 1, 2019, as amended by the First Amendment to Fourth Amended and Restated Trust Agreement, dated as of June 1, 2022 (as so amended and as it may be further amended from time to time, the “Trust Agreement”), each by and among the Corporation, the City and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), and the Fourth Amended and Restated Issuing and Paying Agent Agreement, dated as of June 1, 2019 (as amended from time to time, the “Issuing and Paying Agent Agreement”), by and among U.S. Bank Trust Company, National Association, as successor issuing and paying agent thereunder (the “Issuing and Paying Agent”), the Corporation and the City. The Commercial Paper Notes may be issued and delivered from time to time as Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-1 (the “Tax-Exempt Series A-1 Commercial Paper Notes”) and Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Taxable Series B-1 (the “Taxable Series B-1 Commercial Paper Notes” and together with the Tax-Exempt Series A-1 Commercial Paper Notes, the “Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$150,000,000, as Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-2 (the “Tax-Exempt Series A-2 Commercial Paper Notes”) and Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Taxable Series B-2 (the “Taxable Series B-2 Commercial Paper Notes” and together with the Tax-Exempt Series A-2 Commercial Paper Notes, the “Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$100,000,000 or as Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-3 (the “Tax-Exempt Series A-3 Commercial Paper Notes”) and Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Taxable Series B-3 (the “Taxable Series B-3 Commercial Paper Notes” and together with the Tax-Exempt Series A-3 Commercial Paper Notes, the “Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$175,000,000.

In connection with the Commercial Paper Notes, the City has leased certain parcels of land, together with the buildings and improvements located thereon, to the Corporation pursuant to the Amended and Restated Site Lease, dated as of June 1, 2019, as amended by the First Amendment to

Amended and Restated Site Lease, dated as of June 1, 2022 (as so amended and as it may be further amended from time to time, the “Site Lease”), each by and between the City and the Corporation. The Corporation in turn has subleased such parcels of land, together with the buildings and improvements located thereon, to the City pursuant to the terms of the Amended and Restated Sublease, dated as of June 1, 2019, as amended by the First Amendment to Amended and Restated Sublease, dated as of June 1, 2022 (as so amended and as it may be further amended from time to time, the “Sublease”), each by and between the Corporation and the City, and has assigned its right, title and interest in and to certain property pledged therefor under the Trust Agreement to the Trustee for the benefit of the Owners of the Commercial Paper Notes and the Banks (as such terms are defined in the Trust Agreement) pursuant to the Amended and Restated Assignment Agreement, dated as of June 1, 2019, as amended by the First Amended to Amended and Restated Assignment Agreement, dated as of June 1, 2022 (as so amended and as it may be further amended from time to time, the “Assignment Agreement”), each by and between the Corporation and the Trustee. All capitalized terms not defined herein shall have the respective meanings ascribed thereto in the Trust Agreement and the Sublease.

The Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes to be issued and delivered from time to time are entitled to the benefit of, and payments made pursuant to, that certain irrevocable direct-pay letter of credit issued by BMO Harris Bank N.A. (the “Tax-Exempt Series A-1/Taxable Series B-1 Bank”) on June 21, 2019, as extended by that certain notice of extension of letter of credit expiration date, including any further amendments thereto (as so extended and as it may be further amended from time to time, the “Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019, as amended by the First Amendment to Letter of Credit and Reimbursement Agreement, dated June [8], 2022 (as so amended, the “Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement”), each by and among the Corporation, the City and the Tax-Exempt Series A-1/Taxable Series B-1 Bank. Upon satisfaction of the requirements of the Trust Agreement, the Corporation may replace the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit with an Alternate Credit Facility.

The Tax-Exempt Series A-2/Taxable Series B-2 Commercial Paper Notes to be issued and delivered from time to time are entitled to the benefit of, and payments made pursuant to, that certain irrevocable direct-pay letter of credit issued by Bank of America, N.A. (the “Tax-Exempt Series A-2/Taxable Series B-2 Bank”) on June 21, 2019, as extended and amended by that certain notice of extension of letter of credit expiration date and amendment and that certain notice of extension of letter of credit expiration date, including any further amendments thereto (as so extended and as it may be further amended from time to time, the “Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit”) pursuant to the Amended and Restated Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019, as amended by the First Amendment to Amended and Restated Letter of Credit and Reimbursement Agreement, dated June [8], 2022 (as so amended, the “Tax-Exempt Series A-2/Taxable Series B-2 Reimbursement Agreement”), each by and among the Corporation, the City and the Tax-Exempt Series A-2/Taxable Series B-2 Bank. Upon satisfaction of the requirements of the Trust Agreement, the Corporation may replace the Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit with an Alternate Credit Facility.

The Tax-Exempt Series A-3/Taxable Series B-3 Commercial Paper Notes to be issued and delivered from time to time are entitled to the benefit of, and payments made pursuant to, that certain irrevocable direct-pay letter of credit issued by U.S. Bank National Association (the “Tax-Exempt Series A-3/Taxable Series B-3 Bank”) on June 21, 2019, as extended by that certain notice of extension of letter of credit expiration date, including any further amendments thereto (as so extended and as it may be further amended from time to time, the “Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit” and together with the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and the Tax-Exempt Series A-2/Taxable Series B-2 Letter of Credit, the “Letters of Credit”) pursuant to the Letter of Credit

and Reimbursement Agreement, dated as of June 1, 2019, as amended by the First Amendment to Letter of Credit and Reimbursement Agreement, dated June [8], 2022 (as so amended, the “Tax-Exempt Series A-3/Taxable Series B-3 Reimbursement Agreement” and together with the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement and the Tax-Exempt Series A-2/Taxable Series B-2 Reimbursement Agreement, the “Reimbursement Agreements”), each by and among the Corporation, the City and the Tax-Exempt Series A-3/Taxable Series B-3 Bank. Upon satisfaction of the requirements of the Trust Agreement, the Corporation may replace the Tax-Exempt Series A-3/Taxable Series B-3 Letter of Credit with an Alternate Credit Facility.

In rendering this opinion, we have reviewed the record of the actions taken by the Corporation and the City in connection with the issuance and delivery of the Taxable Series B-1 Commercial Paper Notes, the Taxable Series B-2 Commercial Paper Notes and the Taxable Series B-3 Commercial Paper Notes (collectively, the “Taxable Series B Commercial Paper Notes”). We have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such documents, instruments, or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

We are of the opinion that:

1. The Taxable Series B Commercial Paper Notes, when issued from time to time as provided in the Trust Agreement and the Issuing and Paying Agent Agreement, will constitute the valid and binding limited obligations of the Corporation, enforceable in accordance with their terms and the terms of the Trust Agreement and the Issuing and Paying Agent Agreement.

2. The Trust Agreement has been duly authorized, executed and delivered by, and constitutes the valid and binding obligation of, the City and the Corporation, and, assuming due authorization, execution and delivery by the Trustee, is enforceable against the City and the Corporation in accordance with its terms.

3. The Site Lease and the Sublease have been duly authorized, executed and delivered by the City and the Corporation and constitute the valid and binding obligations of the City and the Corporation and are enforceable against the City and the Corporation in accordance with their respective terms.

4. The Assignment Agreement has been duly authorized, executed and delivered by, and constitutes the valid and binding obligation of, the Corporation, and, assuming due execution by the other parties thereto, is enforceable against the Corporation in accordance with its terms.

We have not been requested to investigate, examine, review or opine as to any matter relating to the federal, state or local tax consequences with respect to the Taxable Series B Commercial Paper Notes or the ownership or disposition thereof. In rendering this opinion, we are not passing upon the treatment of the Taxable Series B Commercial Paper Notes (including interest thereon) for federal, state or local tax purposes, we have not reviewed any matter or conducted any investigation or examination relating thereto and we take no responsibility therefor. We express no opinion as to any federal, state or local tax consequences arising with respect to the Taxable Series B Commercial Paper Notes or the ownership or disposition thereof.

We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion after the date hereof to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason.

Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves.

This letter is furnished by us as Note Counsel and is solely for your benefit and it is not to be used, circulated, quoted, or otherwise referred to for any purposes other than the issuance and delivery of the Taxable Series B Commercial Paper Notes and may not be relied upon by any other person or entity without our express written permission, except that references may be made to it in any list of closing documents pertaining to the issuance and delivery of the Taxable Series B Commercial Paper Notes.

The foregoing opinions are qualified to the extent that the rights of the Owners of the Taxable Series B Commercial Paper Notes and the enforceability of the Taxable Series B Commercial Paper Notes, the Trust Agreement, the Site Lease, the Sublease and the Assignment Agreement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and are subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law). We express no opinion regarding the availability of equitable remedies.

We express no opinion as Note Counsel regarding the accuracy, adequacy or completeness of the Offering Memorandum relating to the Taxable Series B Commercial Paper Notes.

You may rely on this opinion as to any Taxable Series B Commercial Paper Notes issued on or after the date hereof to the extent that, at the date of issuance of such Taxable Series B Commercial Paper Notes, (i) we have not advised you that this opinion may no longer be relied upon with respect to such Taxable Series B Commercial Paper Notes, (ii) there is no change or proposed change in pertinent law from that in effect on the date hereof, (iii) the facts upon which this opinion is based do not change in any way material to this opinion, (iv) the representations, warranties and covenants contained in the Trust Agreement, the Issuing and Paying Agent Agreement, the Sublease, and other documents executed and delivered by the Corporation and the City in connection with the Taxable Series B Commercial Paper Notes and the certificates executed and delivered by the Corporation and the City in connection with the Taxable Series B Commercial Paper Notes remain true and correct and the Corporation and the City continue to comply with their respective covenants in such documents and certificates, (v) no amendment has been made to the Trust Agreement, the Site Lease, the Sublease, the Issuing and Paying Agent Agreement, any of the Letters of Credit or the Reimbursement Agreements or any of the Taxable Series B Commercial Paper Notes without our prior written consent, and (vi) no litigation affecting the issuance, legality, validity or enforceability in accordance with their respective terms of the Taxable Series B Commercial Paper Notes is pending or threatened at the time of delivery of any such Taxable Series B Commercial Paper Notes. We undertake no obligation to determine, at any time, whether the conditions described in this paragraph have been met.

Very truly yours,

**APPENDIX B-1**

**PROPOSED FORM OF SPECIAL TAX COUNSEL OPINION**

June 8, 2022

**APPENDIX B-2**

**PROPOSED FORM OF SPECIAL TAX COUNSEL OPINION**

June 8, 2022



**APPENDIX C**

**MAXIMUM BASE RENTAL SCHEDULE**

[See attached pages]

**Exhibit E – First Amendment to Amended and Restated Letter of Credit and Reimbursement Agreement with BANA**

**FIRST AMENDMENT TO AMENDED AND RESTATED LETTER OF CREDIT  
AND REIMBURSEMENT AGREEMENT**

This FIRST AMENDMENT TO AMENDED AND RESTATED LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT (this “*Amendment*”) dated June 8, 2022 (the “*Amendment Date*”), is among the MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES (“*MICLA*”), the CITY OF LOS ANGELES (the “*City*”) and BANK OF AMERICA, N.A. (together with its successors and assigns, the “*Bank*”). All capitalized terms used herein and not defined herein shall have the meanings set forth in the hereinafter defined Agreement.

**WITNESSETH**

WHEREAS, MICLA, the City, and the Bank have previously entered into that certain Amended and Restated Letter of Credit and Reimbursement Agreement dated as of June 1, 2019 (as amended, restated, or otherwise modified to date, the “*Agreement*”) pursuant to which the Bank maintained its issuance of that certain Irrevocable Letter of Credit No. 68126140 originally issued on June 14, 2016 (as amended, restated, or otherwise modified to date, the “*Letter of Credit*”), supporting the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-2 and Taxable Series B-2;

WHEREAS, pursuant to Section 8.1 of the Agreement, the Agreement may be amended by a written amendment thereto executed by MICLA, the City, and the Bank; and

WHEREAS, MICLA and the City have requested that the Bank make certain amendments to the Agreement, and the Bank has agreed to make such amendments to the Agreement subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

SECTION 1. AMENDMENTS.

Upon the satisfaction of the conditions precedent set forth in Section 3 hereof, the Agreement shall be amended as follows:

1.01. The following defined term appearing in Section 1.1 of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

“*Fee Letter*” means that certain Second Amended and Restated Fee Letter dated June 8, 2022, among MICLA, the City and the Bank, as the same may be amended, restated or supplemented from time to time and any agreement entered into in substitution thereof.

1.02. Section 1.1 of the Agreement is hereby amended by the addition thereto of the following defined term to read as follows and to appear in the appropriate alphabetical order:

“EMMA” means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

1.03. Section 2.13 of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

*Section 2.13. Termination; Acceptance of Alternate Credit Facility.* MICLA may terminate the Letter of Credit prior to the Stated Expiration Date by (i) (A) delivering to the Issuing and Paying Agent an Alternate Credit Facility in substitution for the Letter of Credit in accordance with the terms and conditions of Trust Agreement and causing the Issuing and Paying Agent to deliver written notice to the Bank in the form of Annex C to the Letter of Credit or (B) causing the Issuing and Paying Agent to deliver written notice to the Bank in the form of Annex D to the Letter of Credit in accordance with the terms and conditions of Trust Agreement, as applicable; and (ii) delivering written notice to the Bank not less than thirty (30) days prior to the substitution date or termination date, as applicable. On or prior the date, if any, on which an Alternate Credit Facility is substituted for the Letter of Credit, MICLA hereby agrees to pay, or cause to be paid, to the Bank all unpaid Obligations including, without limitation, any Advance or Term Loan and all amounts owing on the Revolving Note, at or prior to the time of such termination. Notwithstanding the foregoing, MICLA shall have no obligation to provide the written notice described in paragraph (ii) of this Section 2.13 if the termination of the Letter of Credit shall occur within the thirty (30) days preceding the Stated Expiration Date.

1.04. The third sentence of Section 3.3(c) of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

Notwithstanding the foregoing, in the event any monetary or civil penalties are imposed on the Bank as a result of its inability to comply with one or more provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (i) any change in the Bank’s policies after the Date of Issuance or (ii) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provision, as applicable, after the Date of Issuance, then

upon the Bank's delivery of a New Tier Two Termination Notice in the form of Exhibit G hereto setting forth a New Tier Two Termination Date (which may be sooner than the original Tier Two Termination Date, but in any event not sooner than the earliest to occur of (a) the 15th day following the Issuing and Paying Agent's receipt of the New Tier Two Termination Notice, or (b) the original Tier Two Termination Date), the Issuing and Paying Agent shall make the Final Drawing under the Letter of Credit on such New Tier Two Termination Date to provide for the payment of Commercial Paper Notes issued in accordance with the Trust Agreement and the Issuing and Paying Agent Agreement which are outstanding and are maturing on or after the New Tier Two Termination Date.

1.05. Article VII of the Agreement is hereby amended by the addition thereto of a new Section 7.7 to read as follows and to appear in the appropriate numerical sequence:

*Section 7.7. COVID-19.* Employees of Bank and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, "Contractor Personnel"), while performing services under this Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, "In-Person Services") must be fully vaccinated against the novel coronavirus 2019 ("COVID-19"). "Fully vaccinated" means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Bank shall obtain proof that such Contractor Personnel have been fully vaccinated. Bank shall grant medical or religious exemptions ("Exemptions") to Contractor Personnel as required by law. If Bank wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Bank shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Bank. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, Bank shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

1.06. Article VIII of the Agreement is hereby amended by the addition thereto of a new Section 8.18 and Section 8.19 to read as follows and to appear in the appropriate numerical sequence:

*Section 8.18. Electronic Signatures.* The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

*Section 8.19. Redaction.* Each of MICLA and the City agree that it shall not post this Agreement or any amendment hereto on EMMA or any other website until the Bank or its counsel has provided redacted versions of this Agreement or such amendment, as applicable; provided, however, that this covenant shall not apply to the posting or filing of this Agreement or any amendment hereto as part of MICLA’s or the City’s proceedings approving the execution and delivery of this Agreement or any amendment hereto.

1.07. Exhibit F to the Agreement shall be amended and restated to read as set forth in Appendix B hereto.

1.08. Exhibit G to the Agreement shall be amended and restated to read as set forth in Appendix C hereto.

SECTION 2. REQUEST FOR EXTENSION OF LETTER OF CREDIT EXPIRATION DATE.

MICLA and the City hereby request that the Bank extend the Letter of Credit Expiration Date to June 30, 2025, and the Bank upon the effectiveness of this Amendment agrees to such request and will deliver to the Issuing and Paying Agent a Notice of Extension substantially in the form attached hereto as Appendix A (the "*Notice of Extension*") to effectuate such extension.

SECTION 3. CONDITIONS PRECEDENT.

This Amendment shall be deemed effective on the Amendment Date subject to the satisfaction of or waiver by the Bank of all of the following conditions precedent:

3.01. Delivery by the Bank and each of MICLA and the City of executed counterparts of (i) this Amendment and (ii) the Second Amended and Restated Fee Letter, dated June 8, 2022 (the "*Amended and Restated Fee Letter*"), by and among MICLA, the City, and the Bank.

3.02. The Bank shall have received, in each case in form and substance satisfactory to it, (i) a certificate of MICLA and the City stating the names and true signatures of the officers of MICLA and the City authorized to sign this Amendment, the Amended and Restated Fee Letter, and the other documents to be delivered by MICLA and the City in connection with this Amendment, and (ii) certified copies of the resolutions of MICLA and the City approving this Amendment, the Agreement, as hereby amended, and the Amended and Restated Fee Letter and the other matters contemplated hereby and thereby, and all other documents, including records of proceedings of MICLA and the City, instruments, governmental approvals, third party approvals and opinions as the Bank and its counsel may reasonably request evidencing any other necessary action.

3.03. The Bank shall have received, in each case in form and substance satisfactory to it, an opinion of counsel to each of MICLA and the City, in form and substance satisfactory to the Bank, on which the Bank is entitled to rely.

3.04. Within thirty (30) days of the Closing Date, payment to counsel of the Bank of the reasonable legal fees and expenses incurred in connection herewith.

3.05. All other legal matters pertaining to the execution and delivery of this Amendment shall be reasonably satisfactory to each of the Bank and its counsel.

The issuance of the Notice of Extension by the Bank (and release of the Notice of Extension from escrow, if any) shall constitute an acknowledgement by the Bank that the conditions precedent set forth in this Section 3 have been satisfied or waived by the Bank.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE CITY AND MICLA.

4.01. The City hereby represents and warrants that the following statements are true and correct as of the Amendment Date:

(a) the representations and warranties of the City in Section 4.1 of the Agreement (other than in Section 4.1(g) of the Agreement) are true and correct in all material respects on and as of the Amendment Date as if made on and as of such date; and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment or the Amended and Restated Fee Letter.

4.02. MICLA hereby represents and warrants that the following statements are true and correct as of the Amendment Date:

(a) the representations and warranties of MICLA in Section 4.2 of the Agreement (other than in Section 4.2(g) of the Agreement) are true and correct in all material respects on and as of the Amendment Date as if made on and as of such date; and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment or the Amended and Restated Fee Letter.

4.03. In addition to the representations given in Article IV of the Agreement, each of MICLA and the City hereby represent and warrant as follows:

(a) The execution, delivery and performance by each of MICLA and the City of this Amendment and the Amended and Restated Fee Letter and the performance by each of MICLA and the City of the Agreement, as amended hereby, are within its powers, have been duly authorized by all necessary action and do not contravene any law, rule or regulation, any judgment, order or decree or any contractual restriction binding on or affecting either MICLA or the City.

(b) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by each of MICLA or the City of this Amendment, the Amended and Restated Fee Letter or the Agreement, as amended hereby.

(c) This Amendment and the Amended and Restated Fee Letter have been duly executed and delivered and, assuming due execution by the Bank, the Amended and Restated Fee Letter and the Agreement, as amended hereby, constitute legal, valid and binding obligations of MICLA and the City enforceable against each of MICLA and the City in accordance with their respective terms, except that (i) the enforcement thereof may be limited by bankruptcy, reorganization, insolvency, liquidation, moratorium and other laws relating to or affecting the enforcement of creditors' rights and remedies generally, as the same may be applied in the event of the bankruptcy, reorganization, insolvency,



liquidation or similar situation of either MICLA or the City, and (ii) no representation or warranty is expressed as to the availability of equitable remedies.

SECTION 5. MISCELLANEOUS.

5.01. Except as specifically amended herein, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in any note, document, agreement, letter, certificate, the Agreement or any communication issued or made subsequent to or with respect to the Agreement, it being hereby agreed that any reference to the Agreement shall be sufficient to refer to, and shall mean and be a reference to, the Agreement, as hereby amended. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby. This Amendment shall be governed by, and construed in accordance with, the internal laws of the State of California.

5.02. This Amendment amends the Agreement but is not intended to be or operate as a novation or an accord and satisfaction of the Agreement or any other Related Document or the indebtedness, obligations and liabilities of either MICLA or the City evidenced or provided for thereunder. This Amendment does not extinguish the obligations for the payment of money outstanding under the Agreement or any other Related Document or discharge or release the obligations or the liens or priority of any pledge or any other security therefor.

5.03. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Amendment may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the Amendment Date.

MUNICIPAL IMPROVEMENT CORPORATION OF  
LOS ANGELES

By: \_\_\_\_\_  
Name: Ha To  
Title: Assistant Secretary and Assistant  
Treasurer

CITY OF LOS ANGELES

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

APPROVED AS TO FORM:

MICHAEL N. FEUER, CITY ATTORNEY

By: \_\_\_\_\_  
Name: Gerald Kim  
Title: Deputy City Attorney

BANK OF AMERICA, N.A., as the Bank

By: \_\_\_\_\_

Name: Grace Barvin

Title: Senior Vice President

**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES  
LEASE REVENUE COMMERCIAL PAPER NOTES**

**APPENDIX A**

**ANNEX F**

**TO  
BANK OF AMERICA, N.A.  
IRREVOCABLE LETTER OF CREDIT NO. 68126140  
AMENDMENT NO. 2**

**NOTICE OF EXTENSION OF LETTER OF CREDIT EXPIRATION DATE**

Date: June 8, 2022

U.S. Bank Trust Company, National Association  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

The undersigned, duly authorized signatory of Bank of America, N.A. (the “*Bank*”), hereby notifies U.S. Bank Trust Company, National Association (the successor “*Issuing and Paying Agent*”), with reference to Irrevocable Letter of Credit No. 68126140 (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The Letter of Credit Expiration Date has been extended to June 30, 2025.
2. This Notice of Extension should be attached to the Letter of Credit and be treated as an amendment thereof.
3. All other terms and conditions of the Letter of Credit remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Extension as of the 8th day of June, 2022.

BANK OF AMERICA, N.A.

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

cc: Municipal Improvement Corporation of Los Angeles  
City of Los Angeles

**APPENDIX B**

**EXHIBIT F**

**FORM OF TIER TWO TERMINATION NOTICE**

Date: \_\_\_\_\_

City of Los Angeles CAO  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: Debt Management Group

Municipal Improvement Corporation  
of Los Angeles  
c/o City of Los Angeles  
Office of the City Administrative Office  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: MICLA Coordinator

U.S. Bank Trust Company National Association,  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

Re: Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-2  
and Taxable Series B-2  
\_\_\_\_\_

Ladies and Gentlemen:

Pursuant to Section 3.3(c) of that certain Amended and Restated Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019 (as the same may be amended, restated, supplemented or otherwise modified, the "*Reimbursement Agreement*"), by and among the Municipal Improvement Corporation of Los Angeles ("*MICLA*"), the City of Los Angeles (the "*City*") and the undersigned, as Bank, you are hereby notified that:

The Bank has determined that it is unable to comply with one or more of the provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (a) any change in the Bank's policies after the Date of Issuance or (b) any adopted or enacted changes, additions,

amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions, as applicable, after the Date of Issuance. The Bank hereby notifies the Issuing and Paying Agent that (i) upon receipt of this notice, no new Commercial Paper Notes shall be issued or authenticated with a stated maturity date later than the one hundred twentieth (120th) day following receipt of this Tier Two Termination Notice, which is \_\_\_\_\_, 20\_\_ (the “*Tier Two Termination Date*”), (ii) on the Tier Two Termination Date, the Issuing and Paying Agent is instructed to make the Final Drawing under the Letter of Credit (in the form of Annex G thereto) to provide for the payment of Commercial Paper Notes issued in accordance with the Issuing and Paying Agent Agreement and the Trust Agreement which are outstanding and are maturing on or after the Tier Two Termination Date, (iii) the Stated Amount of the Letter of Credit shall be permanently reduced to \$0 on the Tier Two Termination Date, following the Bank honoring the Drawing on such Tier Two Termination Date, (iv) the Stated Amount shall no longer be reinstated following payment by the Bank of any Drawings, and (v) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the Tier Two Termination Date.

This Tier Two Termination Notice shall remain in effect unless you have received written notification from us that this Tier Two Termination Notice has been rescinded or replaced with a subsequent New Tier Two Termination Notice.

Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Reimbursement Agreement.

Very truly yours,

BANK OF AMERICA, N.A., as the Bank

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: [DEALER]  
[RATING AGENCIES]

APPENDIX C

EXHIBIT G

FORM OF NEW TIER TWO TERMINATION NOTICE

Date: \_\_\_\_\_

City of Los Angeles CAO  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: Debt Management Group

Municipal Improvement Corporation  
of Los Angeles  
c/o City of Los Angeles  
Office of the City Administrative Office  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: MICLA Coordinator

U.S. Bank Trust Company National Association,  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

Re: Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-2  
and Taxable Series B-2  
\_\_\_\_\_

Ladies and Gentlemen:

Pursuant to Section 3.3(c) of that certain Amended and Restated Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019 (as the same may be amended, restated, supplemented or otherwise modified, the "*Reimbursement Agreement*"), by and among the Municipal Improvement Corporation of Los Angeles ("*MICLA*"), the City of Los Angeles (the "*City*") and the undersigned, as Bank, you are hereby notified that:

The Bank has been subjected to monetary and/or civil penalties as a result of its inability to comply with one or more of the provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (a) any change in the Bank's policies after the Date of Issuance

or (b) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions, as applicable, after the Date of Issuance. The Bank hereby notifies the Issuing and Paying Agent that (i) upon receipt of this notice, no new Commercial Paper Notes shall be issued or authenticated with a stated maturity date later than \_\_\_\_\_, 20\_\_ (the “*New Tier Two Termination Date*”) (which shall be a date not sooner than the earlier of (a) the 15th day following receipt of this New Tier Two Termination Notice, or (b) the original Tier Two Termination Date), (ii) on the New Tier Two Termination Date, the Issuing and Paying Agent is instructed to make the Final Drawing under the Letter of Credit (in the form of Annex G thereto) to provide for the payment of Commercial Paper Notes issued in accordance with the Issuing and Paying Agent Agreement and the Trust Agreement which are outstanding and are maturing on or after the New Tier Two Termination Date, (iii) the Stated Amount of the Letter of Credit shall be permanently reduced to \$0 on the New Tier Two Termination Date, following the Bank honoring the Drawing on such New Tier Two Termination Date, (iv) the Stated Amount shall no longer be reinstated following payment by the Bank of any Drawings, and (v) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the New Tier Two Termination Date.

This New Tier Two Termination Notice replaces the prior Tier Two Termination Notice that the Bank previously delivered on \_\_\_\_\_, 20\_\_.

This New Tier Two Termination Notice shall remain in effect unless you have received written notification from us that this New Tier Two Termination Notice has been rescinded.

Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Reimbursement Agreement.

Very truly yours,

BANK OF AMERICA, N.A., as the Bank

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

cc: [DEALER]  
[RATING AGENCIES]



**Exhibit F – First Amendment to Letter of Credit and  
Reimbursement Agreement with BMO**

## FIRST AMENDMENT TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

This FIRST AMENDMENT TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT (this “*Amendment*”) dated June 8, 2022 (the “*Amendment Date*”), is among the MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES (“*MICLA*”), the CITY OF LOS ANGELES (the “*City*”) and BMO HARRIS BANK N.A. (together with its successors and assigns, the “*Bank*”). All capitalized terms used herein and not defined herein shall have the meanings set forth in the hereinafter defined Agreement.

### WITNESSETH

WHEREAS, MICLA, the City, and the Bank have previously entered into that certain Letter of Credit and Reimbursement Agreement dated as of June 1, 2019 (as amended, restated, or otherwise modified to date, the “*Agreement*”) pursuant to which the Bank issued that certain Irrevocable Letter of Credit No. HACH597502OS issued on June 21, 2019 (as amended, restated, or otherwise modified to date, the “*Letter of Credit*”), supporting the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-1 and Taxable Series B-1;

WHEREAS, pursuant to Section 8.1 of the Agreement, the Agreement may be amended by a written amendment thereto executed by MICLA, the City, and the Bank; and

WHEREAS, MICLA and the City have requested that the Bank make certain amendments to the Agreement, and the Bank has agreed to make such amendments to the Agreement subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

#### SECTION 1. AMENDMENTS.

Upon the satisfaction of the conditions precedent set forth in Section 3 hereof, the Agreement shall be amended as follows:

1.01. The following defined term appearing in Section 1.1 of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

“*Fee Letter*” means that certain Amended and Restated Fee Letter dated June 8, 2022, among MICLA, the City and the Bank, as the same may be amended, restated or supplemented from time to time and any agreement entered into in substitution thereof.

1.02. Section 1.1 of the Agreement is hereby amended by the addition thereto of the following defined term to read as follows and to appear in the appropriate alphabetical order:

“EMMA” means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

1.03. Section 2.13 of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

*Section 2.13. Termination; Acceptance of Alternate Credit Facility.* MICLA may terminate the Letter of Credit prior to the Stated Expiration Date by (i) (A) delivering to the Issuing and Paying Agent an Alternate Credit Facility in substitution for the Letter of Credit in accordance with the terms and conditions of Trust Agreement and causing the Issuing and Paying Agent to deliver written notice to the Bank in the form of Annex C to the Letter of Credit or (B) causing the Issuing and Paying Agent to deliver written notice to the Bank in the form of Annex D to the Letter of Credit in accordance with the terms and conditions of Trust Agreement, as applicable; and (ii) delivering written notice to the Bank not less than thirty (30) days prior to the substitution date or termination date, as applicable. On or prior the date, if any, on which an Alternate Credit Facility is substituted for the Letter of Credit, MICLA hereby agrees to pay, or cause to be paid, to the Bank all unpaid Obligations including, without limitation, any Advance or Term Loan and all amounts owing on the Revolving Note, at or prior to the time of such termination. Notwithstanding the foregoing, MICLA shall have no obligation to provide the written notice described in paragraph (ii) of this Section 2.13 if the termination of the Letter of Credit shall occur within the thirty (30) days preceding the Stated Expiration Date.

1.04. The third sentence of Section 3.3(c) of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

Notwithstanding the foregoing, in the event any monetary or civil penalties are imposed on the Bank as a result of its inability to comply with one or more provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (i) any change in the Bank’s policies after the Date of Issuance or (ii) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provision, as applicable, after the Date of Issuance, then upon the Bank’s delivery of a New Tier Two Termination Notice in the form of Exhibit G hereto setting forth a New Tier Two Termination Date (which may be sooner than the original Tier Two

Termination Date, but in any event not sooner than the earliest to occur of (a) the 15th day following the Issuing and Paying Agent's receipt of the New Tier Two Termination Notice, or (b) the original Tier Two Termination Date), the Issuing and Paying Agent shall make the Final Drawing under the Letter of Credit on such New Tier Two Termination Date to provide for the payment of Commercial Paper Notes issued in accordance with the Trust Agreement and the Issuing and Paying Agent Agreement which are outstanding and are maturing on or after the New Tier Two Termination Date.

1.05. Article VII of the Agreement is hereby amended by the addition thereto of a new Section 7.7 to read as follows and to appear in the appropriate numerical sequence:

*Section 7.7. COVID-19.* Employees of Bank and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, "Contractor Personnel"), prior to interacting in person with City employees, contractors, volunteers, or members of the public in connection with the performance of services under this Agreement (collectively, "In-Person Services") must be fully vaccinated against the novel coronavirus 2019 ("COVID-19"). "Fully vaccinated" means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Bank shall obtain proof that such Contractor Personnel have been fully vaccinated. Bank shall grant medical or religious exemptions ("Exemptions") to Contractor Personnel as required by law. If Bank wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Bank shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Bank. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, Bank shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

1.06. Article VIII of the Agreement is hereby amended by the addition thereto of a new Section 8.17 and Section 8.18 to read as follows and to appear in the appropriate numerical sequence:

*Section 8.17. Electronic Signatures.* The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

*Section 8.18. Redaction.* Each of MICLA and the City agree that it shall not post this Agreement or any amendment hereto on EMMA or any other website until the Bank or its counsel has provided redacted versions of this Agreement or such amendment, as applicable; provided, however, that this covenant shall not apply to the posting or filing of this Agreement or any amendment hereto as part of MICLA’s or the City’s proceedings approving the execution and delivery of this Agreement or any amendment hereto.

1.07. Exhibit F to the Agreement shall be amended and restated to read as set forth in Appendix B hereto.

1.08. Exhibit G to the Agreement shall be amended and restated to read as set forth in Appendix C hereto.

## SECTION 2. REQUEST FOR EXTENSION OF LETTER OF CREDIT EXPIRATION DATE.

MICLA and the City hereby request that the Bank extend the Letter of Credit Expiration Date to June 30, 2025, and the Bank upon the effectiveness of this Amendment agrees to such request and will deliver to the Issuing and Paying Agent a Notice of Extension substantially in the form attached hereto as Appendix A (the “*Notice of Extension*”) to effectuate such extension.

### SECTION 3. CONDITIONS PRECEDENT.

This Amendment shall be deemed effective on the Amendment Date subject to the satisfaction of or waiver by the Bank of all of the following conditions precedent:

3.01. Delivery by the Bank and each of MICLA and the City of executed counterparts of (i) this Amendment and (ii) the Amended and Restated Fee Letter, dated June 8, 2022 (the “*Amended and Restated Fee Letter*”), by and among MICLA, the City, and the Bank.

3.02. The Bank shall have received, in each case in form and substance satisfactory to it, (i) a certificate of MICLA and the City stating the names and true signatures of the officers of MICLA and the City authorized to sign this Amendment, the Amended and Restated Fee Letter, and the other documents to be delivered by MICLA and the City in connection with this Amendment, and (ii) certified copies of the resolutions of MICLA and the City approving this Amendment, the Agreement, as hereby amended, and the Amended and Restated Fee Letter and the other matters contemplated hereby and thereby, and all other documents, including records of proceedings of MICLA and the City, instruments, governmental approvals, third party approvals and opinions as the Bank and its counsel may reasonably request evidencing any other necessary action.

3.03. The Bank shall have received, in each case in form and substance satisfactory to it, an opinion of counsel to each of MICLA and the City, in form and substance satisfactory to the Bank, on which the Bank is entitled to rely.

3.04. Within thirty (30) days of the Closing Date, payment to counsel of the Bank of the reasonable legal fees and expenses incurred in connection herewith.

3.05. All other legal matters pertaining to the execution and delivery of this Amendment shall be reasonably satisfactory to each of the Bank and its counsel.

The issuance of the Notice of Extension by the Bank (and release of the Notice of Extension from escrow, if any) shall constitute an acknowledgement by the Bank that the conditions precedent set forth in this Section 3 have been satisfied or waived by the Bank.

### SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE CITY AND MICLA.

4.01. The City hereby represents and warrants that the following statements are true and correct as of the Amendment Date:

(a) the representations and warranties of the City in Section 4.1 of the Agreement (other than in Section 4.1(g) of the Agreement) are true and correct in all material respects on and as of the Amendment Date as if made on and as of such date; and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment or the Amended and Restated Fee Letter.

4.02. MICLA hereby represents and warrants that the following statements are true and correct as of the Amendment Date:

(a) the representations and warranties of MICLA in Section 4.2 of the Agreement (other than in Section 4.2(g) of the Agreement) are true and correct in all material respects on and as of the Amendment Date as if made on and as of such date; and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment or the Amended and Restated Fee Letter.

4.03. In addition to the representations given in Article IV of the Agreement, each of MICLA and the City hereby represent and warrant as follows:

(a) The execution, delivery and performance by each of MICLA and the City of this Amendment and the Amended and Restated Fee Letter and the performance by each of MICLA and the City of the Agreement, as amended hereby, are within its powers, have been duly authorized by all necessary action and do not contravene any law, rule or regulation, any judgment, order or decree or any contractual restriction binding on or affecting either MICLA or the City.

(b) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by each of MICLA or the City of this Amendment, the Amended and Restated Fee Letter or the Agreement, as amended hereby.

(c) This Amendment and the Amended and Restated Fee Letter have been duly executed and delivered and, assuming due execution by the Bank, the Amended and Restated Fee Letter and the Agreement, as amended hereby, constitute legal, valid and binding obligations of MICLA and the City enforceable against each of MICLA and the City in accordance with their respective terms, except that (i) the enforcement thereof may be limited by bankruptcy, reorganization, insolvency, liquidation, moratorium and other laws relating to or affecting the enforcement of creditors' rights and remedies generally, as the same may be applied in the event of the bankruptcy, reorganization, insolvency, liquidation or similar situation of either MICLA or the City, and (ii) no representation or warranty is expressed as to the availability of equitable remedies.

## SECTION 5. MISCELLANEOUS.

5.01. Except as specifically amended herein, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in any note, document, agreement, letter, certificate, the Agreement or any communication issued or made subsequent to or with respect to the Agreement, it being hereby agreed that any reference to the Agreement shall be sufficient to refer to, and shall mean and be a reference to, the Agreement, as hereby amended. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining

provisions contained herein shall not in any way be affected or impaired hereby. This Amendment shall be governed by, and construed in accordance with, the internal laws of the State of California.

5.02. This Amendment amends the Agreement but is not intended to be or operate as a novation or an accord and satisfaction of the Agreement or any other Related Document or the indebtedness, obligations and liabilities of either MICLA or the City evidenced or provided for thereunder. This Amendment does not extinguish the obligations for the payment of money outstanding under the Agreement or any other Related Document or discharge or release the obligations or the liens or priority of any pledge or any other security therefor.

5.03. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Amendment may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the Amendment Date.

MUNICIPAL IMPROVEMENT CORPORATION OF  
LOS ANGELES

By: \_\_\_\_\_  
Name: Ha To  
Title: Assistant Secretary and Assistant  
Treasurer

CITY OF LOS ANGELES

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

APPROVED AS TO FORM:

MICHAEL N. FEUER, CITY ATTORNEY

By: \_\_\_\_\_  
Name: Gerald Kim  
Title: Deputy City Attorney

BMO HARRIS BANK N.A.

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

**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES  
LEASE REVENUE COMMERCIAL PAPER NOTES**

**APPENDIX A**

**ANNEX F**

**TO  
BMO HARRIS BANK N.A.  
IRREVOCABLE LETTER OF CREDIT No. HACH597502OS  
AMENDMENT No. 1**

**NOTICE OF EXTENSION OF LETTER OF CREDIT EXPIRATION DATE**

Date: JUNE 8, 2022

U.S. Bank Trust Company, National Association  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

The undersigned, duly authorized signatory of BMO Harris Bank N.A. (the "*Bank*"), hereby notifies U.S. Bank Trust Company, National Association (the successor "*Issuing and Paying Agent*"), with reference to Irrevocable Letter of Credit No. HACH597502OS (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The Letter of Credit Expiration Date has been extended to June 30, 2025.
2. This Notice of Extension should be attached to the Letter of Credit and be treated as an amendment thereof.
3. All other terms and conditions of the Letter of Credit remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Extension as of the 8th day of June, 2022.

BMO HARRIS BANK N.A.

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

cc: Municipal Improvement Corporation of Los Angeles  
City of Los Angeles

**APPENDIX B**

**EXHIBIT F**

**FORM OF TIER TWO TERMINATION NOTICE**

Date: \_\_\_\_\_

City of Los Angeles CAO  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: Debt Management Group

Municipal Improvement Corporation  
of Los Angeles  
c/o City of Los Angeles  
Office of the City Administrative Office  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: MICLA Coordinator

U.S. Bank Trust Company, National Association,  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

Re: Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-1  
and Taxable Series B-1  
\_\_\_\_\_

Ladies and Gentlemen:

Pursuant to Section 3.3(c) of that certain Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019 (as the same may be amended, restated, supplemented or otherwise modified, the "*Reimbursement Agreement*"), by and among the Municipal Improvement Corporation of Los Angeles ("*MICLA*"), the City of Los Angeles (the "*City*") and the undersigned, as Bank, you are hereby notified that:

The Bank has determined that it is unable to comply with one or more of the provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (a) any change

in the Bank’s policies after the Date of Issuance or (b) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions, as applicable, after the Date of Issuance. The Bank hereby notifies the Issuing and Paying Agent that (i) upon receipt of this notice, no new Commercial Paper Notes shall be issued or authenticated with a stated maturity date later than the one hundred twentieth (120th) day following receipt of this Tier Two Termination Notice, which is \_\_\_\_\_, 20\_\_ (the “Tier Two Termination Date”), (ii) on the Tier Two Termination Date, the Issuing and Paying Agent is instructed to make the Final Drawing under the Letter of Credit (in the form of Annex G thereto) to provide for the payment of Commercial Paper Notes issued in accordance with the Issuing and Paying Agent Agreement and the Trust Agreement which are outstanding and are maturing on or after the Tier Two Termination Date, (iii) the Stated Amount of the Letter of Credit shall be permanently reduced to \$0 on the Tier Two Termination Date, following the Bank honoring the Drawing on such Tier Two Termination Date, (iv) the Stated Amount shall no longer be reinstated following payment by the Bank of any Drawings, and (v) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the Tier Two Termination Date.

This Tier Two Termination Notice shall remain in effect unless you have received written notification from us that this Tier Two Termination Notice has been rescinded or replaced with a subsequent New Tier Two Termination Notice.

Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Reimbursement Agreement.

Very truly yours,

BMO HARRIS BANK N.A., as the Bank

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: [DEALER]  
[RATING AGENCIES]

**APPENDIX C**

**EXHIBIT G**

**FORM OF NEW TIER TWO TERMINATION NOTICE**

Date: \_\_\_\_\_

City of Los Angeles CAO  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: Debt Management Group

Municipal Improvement Corporation  
of Los Angeles  
c/o City of Los Angeles  
Office of the City Administrative Office  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: MICLA Coordinator

U.S. Bank Trust Company, National Association,  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

Re: Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-1  
and Taxable Series B-1  
\_\_\_\_\_

Ladies and Gentlemen:

Pursuant to Section 3.3(c) of that certain Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019 (as the same may be amended, restated, supplemented or otherwise modified, the "*Reimbursement Agreement*"), by and among the Municipal Improvement Corporation of Los Angeles ("*MICLA*"), the City of Los Angeles (the "*City*") and the undersigned, as Bank, you are hereby notified that:

The Bank has been subjected to monetary and/or civil penalties as a result of its inability to comply with one or more of the provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal

History Provisions as a result of (a) any change in the Bank’s policies after the Date of Issuance or (b) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions, as applicable, after the Date of Issuance. The Bank hereby notifies the Issuing and Paying Agent that (i) upon receipt of this notice, no new Commercial Paper Notes shall be issued or authenticated with a stated maturity date later than \_\_\_\_\_, 20\_\_ (the “*New Tier Two Termination Date*”) (which shall be a date not sooner than the earlier of (a) the 15th day following receipt of this New Tier Two Termination Notice, or (b) the original Tier Two Termination Date), (ii) on the New Tier Two Termination Date, the Issuing and Paying Agent is instructed to make the Final Drawing under the Letter of Credit (in the form of Annex G thereto) to provide for the payment of Commercial Paper Notes issued in accordance with the Issuing and Paying Agent Agreement and the Trust Agreement which are outstanding and are maturing on or after the New Tier Two Termination Date, (iii) the Stated Amount of the Letter of Credit shall be permanently reduced to \$0 on the New Tier Two Termination Date, following the Bank honoring the Drawing on such New Tier Two Termination Date, (iv) the Stated Amount shall no longer be reinstated following payment by the Bank of any Drawings, and (v) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the New Tier Two Termination Date.

This New Tier Two Termination Notice replaces the prior Tier Two Termination Notice that the Bank previously delivered on \_\_\_\_\_, 20\_\_.

This New Tier Two Termination Notice shall remain in effect unless you have received written notification from us that this New Tier Two Termination Notice has been rescinded.

Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Reimbursement Agreement.

Very truly yours,

BMO HARRIS BANK N.A., as the Bank

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: [DEALER]  
[RATING AGENCIES]



**Exhibit G – First Amendment to Letter of Credit and  
Reimbursement Agreement with US Bank**

## FIRST AMENDMENT TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

This FIRST AMENDMENT TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT (this “*Amendment*”) dated June 8, 2022 (the “*Amendment Date*”), is among the MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES (“*MICLA*”), the CITY OF LOS ANGELES (the “*City*”) and U.S. BANK NATIONAL ASSOCIATION (together with its successors and assigns, the “*Bank*”). All capitalized terms used herein and not defined herein shall have the meanings set forth in the hereinafter defined Agreement.

### WITNESSETH

WHEREAS, MICLA, the City, and the Bank have previously entered into that certain Letter of Credit and Reimbursement Agreement dated as of June 1, 2019 (as amended, restated, or otherwise modified to date, the “*Agreement*”) pursuant to which the Bank issued that certain Irrevocable Letter of Credit No. SLCPPDX07735 issued on June 21, 2019 (as amended, restated, or otherwise modified to date, the “*Letter of Credit*”), supporting the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-3 and Taxable Series B-3;

WHEREAS, pursuant to Section 8.1 of the Agreement, the Agreement may be amended by a written amendment thereto executed by MICLA, the City, and the Bank; and

WHEREAS, MICLA and the City have requested that the Bank make certain amendments to the Agreement, and the Bank has agreed to make such amendments to the Agreement subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

#### SECTION 1. AMENDMENTS.

Upon the satisfaction of the conditions precedent set forth in Section 3 hereof, the Agreement shall be amended as follows:

1.01. The following defined term appearing in Section 1.1 of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

“*Fee Letter*” means that certain Amended and Restated Fee Letter dated June 8, 2022, among MICLA, the City and the Bank, as the same may be amended, restated or supplemented from time to time and any agreement entered into in substitution thereof.

1.02. Section 1.1 of the Agreement is hereby amended by the addition thereto of the following defined term to read as follows and to appear in the appropriate alphabetical order:

“EMMA” means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

1.03. Section 2.13 of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

*Section 2.13. Termination; Acceptance of Alternate Credit Facility.* MICLA may terminate the Letter of Credit prior to the Stated Expiration Date by (i) (A) delivering to the Issuing and Paying Agent an Alternate Credit Facility in substitution for the Letter of Credit in accordance with the terms and conditions of Trust Agreement and causing the Issuing and Paying Agent to deliver written notice to the Bank in the form of Annex C to the Letter of Credit or (B) causing the Issuing and Paying Agent to deliver written notice to the Bank in the form of Annex D to the Letter of Credit in accordance with the terms and conditions of Trust Agreement, as applicable; and (ii) delivering written notice to the Bank not less than thirty (30) days prior to the substitution date or termination date, as applicable. On or prior the date, if any, on which an Alternate Credit Facility is substituted for the Letter of Credit, MICLA hereby agrees to pay, or cause to be paid, to the Bank all unpaid Obligations including, without limitation, any Advance or Term Loan and all amounts owing on the Revolving Note, at or prior to the time of such termination. Notwithstanding the foregoing, MICLA shall have no obligation to provide the written notice described in clause (ii) of this Section 2.13 if the termination of the Letter of Credit shall occur within the thirty (30) days preceding the Stated Expiration Date.

1.04. The third sentence of Section 3.3(c) of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

Notwithstanding the foregoing, in the event any monetary or civil penalties are imposed on the Bank as a result of its inability to comply with one or more provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (i) any change in the Bank’s policies after the Date of Issuance or (ii) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provision, as applicable, after the Date of Issuance, then upon the Bank’s delivery of a New Tier Two Termination Notice in the form of Exhibit G hereto setting forth a New Tier Two Termination Date (which may be sooner than the original Tier Two

Termination Date, but in any event not sooner than the earliest to occur of (a) the 15th day following the Issuing and Paying Agent's receipt of the New Tier Two Termination Notice, or (b) the original Tier Two Termination Date), the Issuing and Paying Agent shall make the Final Drawing under the Letter of Credit on such New Tier Two Termination Date to provide for the payment of Commercial Paper Notes issued in accordance with the Trust Agreement and the Issuing and Paying Agent Agreement which are outstanding and are maturing on or after the New Tier Two Termination Date.

1.05. Article VII of the Agreement is hereby amended by the addition thereto of a new Section 7.7 to read as follows and to appear in the appropriate numerical sequence:

*Section 7.7. COVID-19.* Employees of Bank and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, "Contractor Personnel"), while performing services under this Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, "In-Person Services") must be fully vaccinated against the novel coronavirus 2019 ("COVID-19"). "Fully vaccinated" means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Bank shall obtain proof that such Contractor Personnel have been fully vaccinated. Bank shall grant medical or religious exemptions ("Exemptions") to Contractor Personnel as required by law. If Bank wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Bank shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Bank. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, Bank shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

1.06. Article VIII of the Agreement is hereby amended by the addition thereto of a new Section 8.17 and Section 8.18 to read as follows and to appear in the appropriate numerical sequence:

*Section 8.17. Electronic Signatures.* The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

*Section 8.18. Redaction.* Each of MICLA and the City agree that it shall not post this Agreement or any amendment hereto on EMMA or any other website until the Bank or its counsel has provided redacted versions of this Agreement or such amendment, as applicable; provided, however, that this covenant shall not apply to the posting or filing of this Agreement or any amendment hereto as part of MICLA’s or the City’s proceedings approving the execution and delivery of this Agreement or any amendment hereto.

1.07. Exhibit F to the Agreement shall be amended and restated to read as set forth in Appendix B hereto.

1.08. Exhibit G to the Agreement shall be amended and restated to read as set forth in Appendix C hereto.

## SECTION 2. REQUEST FOR EXTENSION OF LETTER OF CREDIT EXPIRATION DATE.

MICLA and the City hereby request that the Bank extend the Letter of Credit Expiration Date to June 30, 2025, and the Bank upon the effectiveness of this Amendment agrees to such request and will deliver to the Issuing and Paying Agent a Notice of Extension substantially in the form attached hereto as Appendix A (the “*Notice of Extension*”) to effectuate such extension.

### SECTION 3. CONDITIONS PRECEDENT.

This Amendment shall be deemed effective on the Amendment Date subject to the satisfaction of or waiver by the Bank of all of the following conditions precedent:

3.01. Delivery by the Bank and each of MICLA and the City of executed counterparts of (i) this Amendment and (ii) the Amended and Restated Fee Letter, dated June 8, 2022 (the “*Amended and Restated Fee Letter*”), by and among MICLA, the City, and the Bank.

3.02. The Bank shall have received, in each case in form and substance satisfactory to it, (i) a certificate of MICLA and the City stating the names and true signatures of the officers of MICLA and the City authorized to sign this Amendment, the Amended and Restated Fee Letter, and the other documents to be delivered by MICLA and the City in connection with this Amendment, and (ii) certified copies of the resolutions of MICLA and the City approving this Amendment, the Agreement, as hereby amended, and the Amended and Restated Fee Letter and the other matters contemplated hereby and thereby, and all other documents, including records of proceedings of MICLA and the City, instruments, governmental approvals, third party approvals and opinions as the Bank and its counsel may reasonably request evidencing any other necessary action.

3.03. The Bank shall have received, in each case in form and substance satisfactory to it, an opinion of counsel to each of MICLA and the City, in form and substance satisfactory to the Bank, on which the Bank is entitled to rely.

3.04. Within thirty (30) days of the Closing Date, payment to counsel of the Bank of the reasonable legal fees and expenses incurred in connection herewith.

3.05. All other legal matters pertaining to the execution and delivery of this Amendment shall be reasonably satisfactory to each of the Bank and its counsel.

The issuance of the Notice of Extension by the Bank (and release of the Notice of Extension from escrow, if any) shall constitute an acknowledgement by the Bank that the conditions precedent set forth in this Section 3 have been satisfied or waived by the Bank.

### SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE CITY AND MICLA.

4.01. The City hereby represents and warrants that the following statements are true and correct as of the Amendment Date:

(a) the representations and warranties of the City in Section 4.1 of the Agreement (other than in Section 4.1(g) of the Agreement) are true and correct in all material respects on and as of the Amendment Date as if made on and as of such date; and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment or the Amended and Restated Fee Letter.

4.02. MICLA hereby represents and warrants that the following statements are true and correct as of the Amendment Date:

(a) the representations and warranties of MICLA in Section 4.2 of the Agreement (other than in Section 4.2(g) of the Agreement) are true and correct in all material respects on and as of the Amendment Date as if made on and as of such date; and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment or the Amended and Restated Fee Letter.

4.03. In addition to the representations given in Article IV of the Agreement, each of MICLA and the City hereby represent and warrant as follows:

(a) The execution, delivery and performance by each of MICLA and the City of this Amendment and the Amended and Restated Fee Letter and the performance by each of MICLA and the City of the Agreement, as amended hereby, are within its powers, have been duly authorized by all necessary action and do not contravene any law, rule or regulation, any judgment, order or decree or any contractual restriction binding on or affecting either MICLA or the City.

(b) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by each of MICLA or the City of this Amendment, the Amended and Restated Fee Letter or the Agreement, as amended hereby.

(c) This Amendment and the Amended and Restated Fee Letter have been duly executed and delivered and, assuming due execution by the Bank, the Amended and Restated Fee Letter and the Agreement, as amended hereby, constitute legal, valid and binding obligations of MICLA and the City enforceable against each of MICLA and the City in accordance with their respective terms, except that (i) the enforcement thereof may be limited by bankruptcy, reorganization, insolvency, liquidation, moratorium and other laws relating to or affecting the enforcement of creditors' rights and remedies generally, as the same may be applied in the event of the bankruptcy, reorganization, insolvency, liquidation or similar situation of either MICLA or the City, and (ii) no representation or warranty is expressed as to the availability of equitable remedies.

## SECTION 5. MISCELLANEOUS.

5.01. Except as specifically amended herein, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in any note, document, agreement, letter, certificate, the Agreement or any communication issued or made subsequent to or with respect to the Agreement, it being hereby agreed that any reference to the Agreement shall be sufficient to refer to, and shall mean and be a reference to, the Agreement, as hereby amended. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining

provisions contained herein shall not in any way be affected or impaired hereby. This Amendment shall be governed by, and construed in accordance with, the internal laws of the State of California.

5.02. This Amendment amends the Agreement but is not intended to be or operate as a novation or an accord and satisfaction of the Agreement or any other Related Document or the indebtedness, obligations and liabilities of either MICLA or the City evidenced or provided for thereunder. This Amendment does not extinguish the obligations for the payment of money outstanding under the Agreement or any other Related Document or discharge or release the obligations or the liens or priority of any pledge or any other security therefor.

5.03. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Amendment may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the Amendment Date.

MUNICIPAL IMPROVEMENT CORPORATION OF  
LOS ANGELES

By: \_\_\_\_\_  
Name: Ha To  
Title: Assistant Secretary and Assistant  
Treasurer

CITY OF LOS ANGELES

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

APPROVED AS TO FORM:

MICHAEL N. FEUER, CITY ATTORNEY

By: \_\_\_\_\_  
Name: Gerald Kim  
Title: Deputy City Attorney

U.S. BANK NATIONAL ASSOCIATION

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

**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES  
LEASE REVENUE COMMERCIAL PAPER NOTES**

**APPENDIX A**

**ANNEX F**

**TO  
U.S. BANK NATIONAL ASSOCIATION  
IRREVOCABLE LETTER OF CREDIT NO. SLCPPDX07735  
AMENDMENT NO. 1**

**NOTICE OF EXTENSION OF LETTER OF CREDIT EXPIRATION DATE**

Date: June 8, 2022

U.S. Bank Trust Company, National Association  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

The undersigned, duly authorized signatory of U.S. Bank National Association (the “Bank”), hereby notifies U.S. Bank Trust Company, National Association (the successor “*Issuing and Paying Agent*”), with reference to Irrevocable Letter of Credit No. SLCPPDX07735 (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The Letter of Credit Expiration Date has been extended to June 30, 2025.
2. This Notice of Extension should be attached to the Letter of Credit and be treated as an amendment thereof.
3. All other terms and conditions of the Letter of Credit remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Extension as of the 8th day of June, 2022

U.S. BANK NATIONAL ASSOCIATION

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

cc: Municipal Improvement Corporation of Los Angeles  
City of Los Angeles

## APPENDIX B

### EXHIBIT F

#### FORM OF TIER TWO TERMINATION NOTICE

Date: \_\_\_\_\_

City of Los Angeles CAO  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: Debt Management Group

Municipal Improvement Corporation  
of Los Angeles  
c/o City of Los Angeles  
Office of the City Administrative Office  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: MICLA Coordinator

U.S. Bank Trust Company, National Association,  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

Re:           Municipal Improvement Corporation of Los Angeles  
          Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-3  
                    and Taxable Series B-3

Ladies and Gentlemen:

Pursuant to Section 3.3(c) of that certain Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019 (as the same may be amended, restated, supplemented or otherwise modified, the "*Reimbursement Agreement*"), by and among the Municipal Improvement Corporation of Los Angeles ("*MICLA*"), the City of Los Angeles (the "*City*") and the undersigned, as Bank, you are hereby notified that:

The Bank has determined that it is unable to comply with one or more of the provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (a) any change

in the Bank's policies after the Date of Issuance or (b) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions, as applicable, after the Date of Issuance. The Bank hereby notifies the Issuing and Paying Agent that (i) upon receipt of this notice, no new Commercial Paper Notes shall be issued or authenticated with a stated maturity date later than the one hundred twentieth (120th) day following receipt of this Tier Two Termination Notice, which is \_\_\_\_\_, 20\_\_ (the "*Tier Two Termination Date*"), (ii) on the Tier Two Termination Date, the Issuing and Paying Agent is instructed to make the Final Drawing under the Letter of Credit (in the form of Annex G thereto) to provide for the payment of Commercial Paper Notes issued in accordance with the Issuing and Paying Agent Agreement and the Trust Agreement which are outstanding and are maturing on or after the Tier Two Termination Date, (iii) the Stated Amount of the Letter of Credit shall be permanently reduced to \$0 on the Tier Two Termination Date, following the Bank honoring the Drawing on such Tier Two Termination Date, (iv) the Stated Amount shall no longer be reinstated following payment by the Bank of any Drawings, and (v) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the Tier Two Termination Date.

This Tier Two Termination Notice shall remain in effect unless you have received written notification from us that this Tier Two Termination Notice has been rescinded or replaced with a subsequent New Tier Two Termination Notice.

Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Reimbursement Agreement.

Very truly yours,

U.S. BANK NATIONAL ASSOCIATION, as the  
Bank

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: [DEALER]  
[RATING AGENCIES]

**APPENDIX C**

**EXHIBIT G**

**FORM OF NEW TIER TWO TERMINATION NOTICE**

Date: \_\_\_\_\_

City of Los Angeles CAO  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: Debt Management Group

Municipal Improvement Corporation  
of Los Angeles  
c/o City of Los Angeles  
Office of the City Administrative Office  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: MICLA Coordinator

U.S. Bank Trust Company, National Association  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

Re: Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-3  
and Taxable Series B-3

Ladies and Gentlemen:

Pursuant to Section 3.3(c) of that certain Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019 (as the same may be amended, restated, supplemented or otherwise modified, the "*Reimbursement Agreement*"), by and among the Municipal Improvement Corporation of Los Angeles ("*MICLA*"), the City of Los Angeles (the "*City*") and the undersigned, as Bank, you are hereby notified that:

The Bank has been subjected to monetary and/or civil penalties as a result of its inability to comply with one or more of the provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (a) any change in the Bank's policies after the Date of Issuance

or (b) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions, as applicable, after the Date of Issuance. The Bank hereby notifies the Issuing and Paying Agent that (i) upon receipt of this notice, no new Commercial Paper Notes shall be issued or authenticated with a stated maturity date later than \_\_\_\_\_, 20\_\_ (the “*New Tier Two Termination Date*”) (which shall be a date not sooner than the earlier of (a) the 15th day following receipt of this New Tier Two Termination Notice, or (b) the original Tier Two Termination Date), (ii) on the New Tier Two Termination Date, the Issuing and Paying Agent is instructed to make the Final Drawing under the Letter of Credit (in the form of Annex G thereto) to provide for the payment of Commercial Paper Notes issued in accordance with the Issuing and Paying Agent Agreement and the Trust Agreement which are outstanding and are maturing on or after the New Tier Two Termination Date, (iii) the Stated Amount of the Letter of Credit shall be permanently reduced to \$0 on the New Tier Two Termination Date, following the Bank honoring the Drawing on such New Tier Two Termination Date, (iv) the Stated Amount shall no longer be reinstated following payment by the Bank of any Drawings, and (v) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the New Tier Two Termination Date.

This New Tier Two Termination Notice replaces the prior Tier Two Termination Notice that the Bank previously delivered on \_\_\_\_\_, 20\_\_.

This New Tier Two Termination Notice shall remain in effect unless you have received written notification from us that this New Tier Two Termination Notice has been rescinded.

Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Reimbursement Agreement.

Very truly yours,

U.S. BANK NATIONAL ASSOCIATION, as the  
Bank

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: [DEALER]  
[RATING AGENCIES]



**Exhibit H – Second Amended and Restated Fee  
Letter with BANA**

**SECOND AMENDED AND RESTATED FEE LETTER  
DATED JUNE 8, 2022**

Reference is hereby made to that certain (i) Amended and Restated Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019 (as the same may be amended, modified and supplemented from time to time, the “*Agreement*”), among the Municipal Improvement Corporation of Los Angeles (“*MICLA*”), the City of Los Angeles (the “*City*”) and Bank of America, N.A. (the “*Bank*”), relating to MICLA’s Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-2 and Taxable Series B-2 (collectively, the “*Commercial Paper Notes*”), (ii) Irrevocable Letter of Credit No. 68126140 dated June 14, 2016 (as the same may be amended, modified and supplemented from time to time, the “*Letter of Credit*”), issued by the Bank pursuant to the Agreement to support the Commercial Paper Notes and (iii) Amended and Restated Fee Letter, dated as of June 21, 2019 (the “*Existing Fee Letter*”), among MICLA, the City and the Bank. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

MICLA and the City have requested that the Bank make certain modifications to the Existing Fee Letter and, for the sake of clarity and convenience, MICLA, the City and the Bank wish to amend and restate the Existing Fee Letter in its entirety, and this Second Amended and Restated Fee Letter (this “*Fee Letter*”) amends and restates the Existing Fee Letter in its entirety. MICLA and the City each acknowledge and agree that all fees previously paid to the Bank under the Existing Fee Letter were fully earned and nonrefundable. The purpose of this Fee Letter is to confirm the agreement among the Bank, MICLA and the City with respect to, among other things, the Applicable Letter of Credit Fees (as defined below) and certain other fees payable to the Bank. This Fee Letter is the Fee Letter referenced in the Agreement. This Fee Letter and the Agreement are to be construed as one agreement among the Bank, MICLA and the City, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Letter.

ARTICLE I. FEES AND OTHER AGREEMENTS.

*Section 1.1. Commitment Fees.* MICLA hereby agrees to pay or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease, quarterly in arrears on each Quarterly Payment Date occurring prior to the Letter of Credit Termination Date, and on the Letter of Credit Termination Date, a non-refundable facility fee (the “*Applicable Letter of Credit Fee*”), for each fee period, commencing on the first day of such quarterly period (or, in the case of the first fee period, the date on which the Letter of Credit is issued), in an amount equal to the product of the rate per annum corresponding to the Level specified below associated with the applicable Rating (as defined below) as specified below (the “*Applicable Letter of Credit Fee Rate*”) multiplied by the Stated Amount (without regard to any temporary reductions thereof), in each case, for each day during each related fee period:

(i) for the period commencing on June 21, 2019, to but excluding June 8, 2022, the Applicable Letter of Credit Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

| LEVEL   | S&P/FITCH/KROLL RATING | MOODY'S RATING | APPLICABLE LETTER OF CREDIT FEE RATE |
|---------|------------------------|----------------|--------------------------------------|
| Level 1 | A+ or above            | A1 or above    | 32.0 bps                             |
| Level 2 | A                      | A2             | 47.0 bps                             |
| Level 3 | A-                     | A3             | 62.0 bps                             |
| Level 4 | BBB+                   | Baa1           | 77.0 bps                             |
| Level 5 | BBB                    | Baa2           | 92.0 bps                             |
| Level 6 | BBB-                   | Baa3           | 107.0 bps                            |
| Level 7 | Below BBB-             | Below Baa3     | 257.0 bps                            |

(ii) for the period commencing June 8, 2022, and at all times thereafter, the Applicable Letter of Credit Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

| LEVEL   | S&P/FITCH/KROLL RATING | MOODY'S RATING | APPLICABLE LETTER OF CREDIT FEE RATE |
|---------|------------------------|----------------|--------------------------------------|
| Level 1 | A+ or above            | A1 or above    | 29.0 bps                             |
| Level 2 | A                      | A2             | 44.0 bps                             |
| Level 3 | A-                     | A3             | 59.0 bps                             |
| Level 4 | BBB+                   | Baa1           | 74.0 bps                             |
| Level 5 | BBB                    | Baa2           | 89.0 bps                             |
| Level 6 | BBB-                   | Baa3           | 104.0 bps                            |
| Level 7 | Below BBB-             | Below Baa3     | 254.0 bps                            |

In the event that any Rating is suspended or withdrawn by any Rating Agency for credit related reasons or the City ceases to maintain at least two Ratings, the Applicable Letter of Credit Fee Rate then in effect shall immediately be increased by an additional one and one-half percent (1.50%). If, at any time, an Event of Default shall have occurred and be continuing under the Agreement, the Applicable Letter of Credit Fee Rate then in effect shall immediately be increased, without notice to MICLA or the City, by an additional one and one-half percent (1.50%) for so long as such Event of Default is continuing. The term "Rating" as used above shall mean the long-term ratings assigned by any of Fitch, Kroll, Moody's and S&P to the City's unenhanced Lease Obligation Debt and (i) if Ratings are in effect from four Rating Agencies and such Ratings are not equivalent, the Letter of Credit Fee Rate shall be based upon the Level in which the second lowest Rating appears (it being understood that Level 1 contains the highest

Ratings and Level 7 contains the lowest Ratings) and (ii) if Ratings are in effect from three or less Rating Agencies, the Letter of Credit Fee Rate shall be based upon the Level in which the lowest Rating appears (it being understood that Level 1 contains the highest Ratings and Level 7 contains the lowest Ratings). Any change in the Applicable Letter of Credit Fee Rate resulting from a change in any Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as presently determined by the rating agencies and in the event of adoption of any new or changed rating system or a “global” rating scale by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. MICLA acknowledges, and the Bank agrees that, as of June 8, 2022, the Applicable Letter of Credit Fee Rate is that specified above in the second pricing matrix for Level 1. The Applicable Letter of Credit Fees shall be payable quarterly in arrears, together with interest thereon, from the date payment is due until payment in full at the Default Rate. The Applicable Letter of Credit Fees shall be payable in immediately available funds and computed on the basis of a year of 360 days and days actually elapsed. As long as the Letter of Credit has not terminated, MICLA covenants and agrees to cause the City to maintain at least two Ratings.

*Section 1.2. Draw Fees.* MICLA hereby agrees to pay or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease, quarterly in arrears on each Quarterly Payment Date occurring prior to the Letter of Credit Termination Date, and on the Letter of Credit Termination Date, a non-refundable fee of \$295 for each Drawing under the Letter of Credit during such quarterly period; *provided, however,* that MICLA shall not be required to pay more than \$2,500 in draw fees during any calendar year.

*Section 1.3. Amendment and Transfer Fee.* MICLA agrees to pay, or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease, on the date of each amendment or modification of the Agreement, this Fee Letter or Letter of Credit, a fee of \$2,500, plus the reasonable fees and expenses of counsel to the Bank; *provided, however,* that no amendment fee shall be due in connection with an extension of the Stated Expiration Date. Upon each transfer of the Letter of Credit in accordance with its terms or the appointment of a successor Issuing and Paying Agent under the Issuing and Paying Agent Agreement, MICLA agrees to pay the Bank a non-refundable transfer fee in an amount equal to \$2,500, and to reimburse the Bank for its actual costs and expenses associated with such transfer or appointment (including, without limitation, the reasonable fees and expenses of counsel to the Bank), payable on the date of such transfer or appointment.

*Section 1.4. Notice of Termination and Decrease.* MICLA and the City agree not to terminate or replace the Letter of Credit or decrease the Stated Amount of the Letter of Credit, except upon (i) in the case of replacement of the Letter of Credit, the payment by MICLA to the Bank of all Obligations payable under the Agreement and this Fee Letter and (ii) MICLA providing the Bank with prior written notice of its intent to terminate or replace the Letter of Credit as and to the extent required by Section 2.13 of the Agreement; *provided,* that any such termination of the Letter of Credit shall be in compliance with the terms and conditions of the Trust Agreement and the Agreement; *provided, further,* that no termination fee or reduction fee

shall become payable in connection with the termination or replacement of the Letter of Credit or any decrease in the Stated Amount of the Letter of Credit.

ARTICLE II. MISCELLANEOUS.

*Section 2.1. Out-of-Pocket Expenses.* MICLA shall pay, or cause to be paid, on the Closing Date the fees and disbursements of Chapman and Cutler LLP, special counsel to the Bank in the amount of \$\_\_\_\_\_, in connection with the negotiation, preparation and execution of this Agreement and the other documents described herein.

*Section 2.2. Amendments.* No amendment to this Fee Letter shall become effective without the prior written consent of MICLA, the City and the Bank.

*Section 2.3. Governing Law.* THIS FEE LETTER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

*Section 2.4. Counterparts.* This Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument; and any of the parties hereto may execute this Fee Letter by signing any such counterpart. This Fee Letter may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

*Section 2.5. Severability.* Any provision of this Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

*Section 2.6. Amendment and Restatement.* This Fee Letter amends and restates in its entirety the Existing Fee Letter but is not intended to be or operate as a novation or an accord and satisfaction of the Existing Fee Letter or the indebtedness, obligations and liabilities of MICLA or the City evidenced or provided for thereunder. This Fee Letter does not extinguish the obligations outstanding under the Existing Fee Letter or any other Related Document or discharge or release the obligations or the liens or priority of any pledge or any other security therefor. Reference to this specific Fee Letter need not be made in any agreement, document, instrument, letter or certificate, the Existing Fee Letter itself or any communication issued or made pursuant to or with respect to the Existing Fee Letter, any reference to the Existing Fee Letter being sufficient to refer to the Existing Fee Letter as amended and restated hereby, and more specifically, any and all references to the Fee Letter in the Agreement shall mean this Fee Letter.

*Section 2.7. No Disclosure.* Unless required by law, rule, regulation or administrative or judicial process neither MICLA nor the City shall deliver or permit, authorize or consent to the

delivery of this Fee Letter to any Person for delivery to the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

MUNICIPAL IMPROVEMENT CORPORATION OF  
LOS ANGELES

By: \_\_\_\_\_  
Name: Ha To  
Title: Assistant Secretary and Assistant  
Treasurer

CITY OF LOS ANGELES

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

APPROVED AS TO FORM:

MICHAEL N. FEUER, CITY ATTORNEY

By: \_\_\_\_\_  
Name: Gerald Kim  
Title: Deputy City Attorney

BANK OF AMERICA, N.A.

By: \_\_\_\_\_

Name: Grace Barvin

Title: Senior Vice President



**Exhibit I – Amended and Restated Fee Letter with  
BMO**

**AMENDED AND RESTATED FEE LETTER  
DATED JUNE 8, 2022**

Reference is hereby made to that certain (i) Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019 (as the same may be amended, modified and supplemented from time to time, the “*Agreement*”), among the Municipal Improvement Corporation of Los Angeles (“*MICLA*”), the City of Los Angeles (the “*City*”) and BMO Harris Bank N.A. (the “*Bank*”), relating to MICLA’s Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-1 and Taxable Series B-1 (collectively, the “*Commercial Paper Notes*”), (ii) Irrevocable Letter of Credit No. HACH597502OS dated June 21, 2019 (as the same may be amended, modified and supplemented from time to time, the “*Letter of Credit*”), issued by the Bank pursuant to the Agreement to support the Commercial Paper Notes, and (iii) Fee Letter dated as of June 21, 2019 (the “*Existing Fee Letter*”), among MICLA, the City, and the Bank. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

MICLA and the City have requested that the Bank make certain modifications to the Existing Fee Letter and, for the sake of clarity and convenience, MICLA, the City and the Bank wish to amend and restate the Existing Fee Letter in its entirety, and this Amended and Restated Fee Letter (this “*Fee Letter*”) amends and restates the Existing Fee Letter in its entirety. MICLA and the City each acknowledge and agree that all fees previously paid to the Bank under the Existing Fee Letter were fully earned and nonrefundable. The purpose of this Fee Letter is to confirm the agreement among the Bank, MICLA and the City with respect to, among other things, the Applicable Letter of Credit Fees (as defined below) and certain other fees payable to the Bank. This Fee Letter is the Fee Letter referenced in the Agreement. This Fee Letter and the Agreement are to be construed as one agreement among the Bank, MICLA and the City, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Letter.

ARTICLE I. FEES AND OTHER AGREEMENTS.

*Section 1.1. Commitment Fees.* MICLA hereby agrees to pay or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease, quarterly in arrears on each Quarterly Payment Date occurring prior to the Letter of Credit Termination Date, and on the Letter of Credit Termination Date, a non-refundable facility fee (the “*Applicable Letter of Credit Fee*”), for each fee period, commencing on the first day of such quarterly period (or, in the case of the first fee period, the date on which the Letter of Credit is issued), in an amount equal to the product of the rate per annum corresponding to the Level specified below associated with the applicable Rating (as defined below) as specified below (the “*Applicable Letter of Credit Fee Rate*”) multiplied by the Stated Amount (without regard to any temporary reductions thereof), in each case, for each day during each related fee period:

(i) for the period commencing on June 21, 2019, to but excluding June 8, 2022, the Applicable Letter of Credit Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

| LEVEL   | S&P/FITCH/KROLL RATING | MOODY'S RATING | APPLICABLE LETTER OF CREDIT FEE RATE |
|---------|------------------------|----------------|--------------------------------------|
| Level 1 | A+ or above            | A1 or above    | 28.0 bps                             |
| Level 2 | A                      | A2             | 33.0 bps                             |
| Level 3 | A-                     | A3             | 38.0 bps                             |
| Level 4 | BBB+                   | Baa1           | 48.0 bps                             |
| Level 5 | BBB                    | Baa2           | 58.0 bps                             |
| Level 6 | BBB- or below          | Baa3 or below  | 158.0 bps                            |

(ii) for the period commencing June 8, 2022, and at all times thereafter, the Applicable Letter of Credit Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

| LEVEL   | S&P/FITCH/KROLL RATING | MOODY'S RATING | APPLICABLE LETTER OF CREDIT FEE RATE |
|---------|------------------------|----------------|--------------------------------------|
| Level 1 | A+ or above            | A1 or above    | 29.0 bps                             |
| Level 2 | A                      | A2             | 34.0 bps                             |
| Level 3 | A-                     | A3             | 39.0 bps                             |
| Level 4 | BBB+                   | Baa1           | 49.0 bps                             |
| Level 5 | BBB                    | Baa2           | 59.0 bps                             |
| Level 6 | BBB- or below          | Baa3 or below  | 159.0 bps                            |

In the event that any Rating is suspended or withdrawn by any Rating Agency for credit related reasons or the City ceases to maintain at least two Ratings, the Applicable Letter of Credit Fee Rate then in effect shall immediately be increased by an additional one percent (1.00%). If, at any time, an Event of Default shall have occurred and be continuing under the Agreement, the Applicable Letter of Credit Fee Rate then in effect shall immediately be increased, without notice to MICLA or the City, by an additional one percent (1.00%) for so long as such Event of Default is continuing. The term "Rating" as used above shall mean the long-term ratings assigned by any of Fitch, Kroll, Moody's and S&P to the City's unenhanced Lease Obligation Debt and (i) if Ratings are in effect from four Rating Agencies and such Ratings are not equivalent, the Letter of Credit Fee Rate shall be based upon the Level in which the second lowest Rating appears (it being understood that Level 1 contains the highest Ratings and Level 6 contains the lowest Ratings) and (ii) if Ratings are in effect from three or less Rating Agencies, the Letter of Credit Fee Rate shall be based upon the Level in which the lowest Rating appears (it being understood that Level 1 contains the highest Ratings and Level 6 contains the lowest Ratings). Any change in the Applicable Letter of Credit Fee Rate resulting from a change in any Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as

presently determined by the rating agencies and in the event of adoption of any new or changed rating system or a “global” rating scale by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. MICLA acknowledges, and the Bank agrees that, as of June 8, 2022, the Applicable Letter of Credit Fee Rate is that specified above in the second pricing matrix for Level 1. The Applicable Letter of Credit Fees shall be payable quarterly in arrears, together with interest thereon, from the date payment is due until payment in full at the Default Rate. The Applicable Letter of Credit Fees shall be payable in immediately available funds and computed on the basis of a year of 360 days and days actually elapsed. As long as the Letter of Credit has not terminated, MICLA covenants and agrees to cause the City to maintain at least two Ratings.

*Section 1.2. Draw Fees.* MICLA hereby agrees to pay or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease, quarterly in arrears on each Quarterly Payment Date occurring prior to the Letter of Credit Termination Date, and on the Letter of Credit Termination Date, a non-refundable fee of \$250 for each Drawing under the Letter of Credit during such quarterly period; *provided, however,* that MICLA shall not be required to pay more than \$2,500 in draw fees during any calendar year.

*Section 1.3. Amendment and Transfer Fee.* MICLA agrees to pay, or cause to be paid, to the Bank, from Additional Rental paid by the City under the Sublease, on the date of each amendment or modification of the Agreement, this Fee Letter or Letter of Credit, a fee of \$2,500, plus the reasonable fees and expenses of counsel to the Bank; *provided, however,* that no amendment fee shall be due in connection with an extension of the Stated Expiration Date. Upon each transfer of the Letter of Credit in accordance with its terms or the appointment of a successor Issuing and Paying Agent under the Issuing and Paying Agent Agreement, MICLA agrees to pay the Bank a non-refundable transfer fee in an amount equal to \$2,500, and to reimburse the Bank for its actual costs and expenses associated with such transfer or appointment (including, without limitation, the reasonable fees and expenses of counsel to the Bank), payable on the date of such transfer or appointment.

*Section 1.4. Notice of Termination and Decrease.* MICLA and the City agree not to terminate or replace the Letter of Credit or decrease the Stated Amount of the Letter of Credit, except upon (i) in the case of replacement of the Letter of Credit, the payment by MICLA to the Bank of all Obligations payable under the Agreement and this Fee Letter and (ii) MICLA providing the Bank with prior written notice of its intent to terminate or replace the Letter of Credit as and to the extent required by Section 2.13 of the Agreement; *provided,* that any such termination of the Letter of Credit shall be in compliance with the terms and conditions of the Trust Agreement and the Agreement; *provided, further,* that no termination fee or reduction fee shall become payable in connection with the termination or replacement of the Letter of Credit or any decrease in the Stated Amount of the Letter of Credit.

## ARTICLE II. MISCELLANEOUS.

*Section 2.1. Out-of-Pocket Expenses.* MICLA shall pay, or cause to be paid, on the Closing Date the fees and disbursements of Chapman and Cutler LLP, special counsel to the

Bank in the amount of \$[\_\_\_\_], in connection with the negotiation, preparation and execution of this Agreement and the other documents described herein.

*Section 2.2. Amendments.* No amendment to this Fee Letter shall become effective without the prior written consent of MICLA, the City and the Bank.

*Section 2.3. Governing Law.* THIS FEE LETTER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

*Section 2.4. Counterparts.* This Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument; and any of the parties hereto may execute this Fee Letter by signing any such counterpart. This Fee Letter may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

*Section 2.5. Severability.* Any provision of this Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

*Section 2.6. No Disclosure.* Unless required by law, rule, regulation or administrative or judicial process neither MICLA nor the City shall deliver or permit, authorize or consent to the delivery of this Fee Letter to any Person for delivery to the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent.

*Section 2.7. Amendment and Restatement.* This Fee Letter amends and restates in its entirety the Existing Fee Letter but is not intended to be or operate as a novation or an accord and satisfaction of the Existing Fee Letter or the indebtedness, obligations and liabilities of MICLA or the City evidenced or provided for thereunder. This Fee Letter does not extinguish the obligations outstanding under the Existing Fee Letter or any other Related Document or discharge or release the obligations or the liens or priority of any pledge or any other security therefor. Reference to this specific Fee Letter need not be made in any agreement, document, instrument, letter or certificate, the Existing Fee Letter itself or any communication issued or made pursuant to or with respect to the Existing Fee Letter, any reference to the Existing Fee Letter being sufficient to refer to the Existing Fee Letter as amended and restated hereby, and more specifically, any and all references to the Fee Letter in the Agreement shall mean this Fee Letter.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

MUNICIPAL IMPROVEMENT CORPORATION OF  
LOS ANGELES

By: \_\_\_\_\_  
Name: Ha To  
Title: Assistant Secretary and Assistant  
Treasurer

CITY OF LOS ANGELES

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

APPROVED AS TO FORM:

MICHAEL N. FEUER, CITY ATTORNEY

By: \_\_\_\_\_  
Name: Gerald Kim  
Title: Deputy City Attorney

BMO HARRIS BANK N.A

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

**Exhibit J – Amended and Restated Fee Letter with  
US Bank**



**AMENDED AND RESTATED FEE LETTER  
DATED JUNE 8, 2022**

Reference is hereby made to that certain (i) Letter of Credit and Reimbursement Agreement, dated as of June 1, 2019 (as the same may be amended, modified and supplemented from time to time, the “*Agreement*”), among the Municipal Improvement Corporation of Los Angeles (“*MICLA*”), the City of Los Angeles (the “*City*”) and U.S. Bank National Association (the “*Bank*”), relating to MICLA’s Lease Revenue Commercial Paper Notes, Tax-Exempt Series A-3 and Taxable Series B-3 (collectively, the “*Commercial Paper Notes*”), (ii) Irrevocable Letter of Credit No. SLCPPDX07735 dated June 21, 2019 (as the same may be amended, modified and supplemented from time to time, the “*Letter of Credit*”), issued by the Bank pursuant to the Agreement to support the Commercial Paper Notes, and (iii) Fee Letter dated as of June 21, 2019 (the “*Existing Fee Letter*”), among MICLA, the City, and the Bank. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

MICLA and the City have requested that the Bank make certain modifications to the Existing Fee Letter and, for the sake of clarity and convenience, MICLA, the City and the Bank wish to amend and restate the Existing Fee Letter in its entirety, and this Amended and Restated Fee Letter (this “*Fee Letter*”) amends and restates the Existing Fee Letter in its entirety. MICLA and the City each acknowledge and agree that all fees previously paid to the Bank under the Existing Fee Letter were fully earned and nonrefundable. The purpose of this Fee Letter is to confirm the agreement among the Bank, MICLA and the City with respect to, among other things, the Applicable Letter of Credit Fees (as defined below) and certain other fees payable to the Bank. This Fee Letter is the Fee Letter referenced in the Agreement. This Fee Letter and the Agreement are to be construed as one agreement among the Bank, MICLA and the City, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Letter.

ARTICLE I. FEES AND OTHER AGREEMENTS.

*Section 1.1. Commitment Fees.* MICLA hereby agrees to pay or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease, quarterly in arrears on each Quarterly Payment Date occurring prior to the Letter of Credit Termination Date, and on the Letter of Credit Termination Date, a non-refundable facility fee (the “*Applicable Letter of Credit Fee*”), for each fee period, commencing on the first day of such quarterly period (or, in the case of the first fee period, the date on which the Letter of Credit is issued), in an amount equal to the product of the rate per annum corresponding to the Level specified below associated with the applicable Rating (as defined below) as specified below (the “*Applicable Letter of Credit Fee Rate*”) multiplied by the Stated Amount (without regard to any temporary reductions thereof), in each case, for each day during each related fee period:

(i) for the period commencing on June 21, 2019, to but excluding June 8, 2022, the Applicable Letter of Credit Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

| LEVEL   | S&P/FITCH/KROLL RATING | MOODY'S RATING | APPLICABLE LETTER OF CREDIT FEE RATE |
|---------|------------------------|----------------|--------------------------------------|
| Level 1 | A+ or above            | A1 or above    | 32.0 bps                             |
| Level 2 | A                      | A2             | 47.0 bps                             |
| Level 3 | A-                     | A3             | 67.0 bps                             |
| Level 4 | BBB+                   | Baa1           | 87.0 bps                             |
| Level 5 | BBB                    | Baa2           | 112.0 bps                            |
| Level 6 | BBB- or below          | Baa3 or below  | 137.0 bps                            |

(ii) for the period commencing June 8, 2022, and at all times thereafter, the Applicable Letter of Credit Fee Rate for such period shall be determined in accordance with the pricing matrix set forth below:

| LEVEL   | S&P/FITCH/KROLL RATING | MOODY'S RATING | APPLICABLE LETTER OF CREDIT FEE RATE |
|---------|------------------------|----------------|--------------------------------------|
| Level 1 | A+ or above            | A1 or above    | 29.0 bps                             |
| Level 2 | A                      | A2             | 44.0 bps                             |
| Level 3 | A-                     | A3             | 64.0 bps                             |
| Level 4 | BBB+                   | Baa1           | 84.0 bps                             |
| Level 5 | BBB                    | Baa2           | 109.0 bps                            |
| Level 6 | BBB- or below          | Baa3 or below  | 134.0 bps                            |

In the event that any Rating is suspended or withdrawn by any Rating Agency for credit related reasons or the City ceases to maintain at least two Ratings, the Applicable Letter of Credit Fee Rate then in effect shall immediately be increased by an additional one percent (1.00%). If, at any time, an Event of Default shall have occurred and be continuing under the Agreement, the Applicable Letter of Credit Fee Rate then in effect shall immediately be increased, without notice to MICLA or the City, by an additional one percent (1.00%) for so long as such Event of Default is continuing. The term "Rating" as used above shall mean the long-term ratings assigned by any of Fitch, Kroll, Moody's and S&P to the City's unenhanced Lease Obligation Debt and (i) if Ratings are in effect from four Rating Agencies and such Ratings are not equivalent, the Letter of Credit Fee Rate shall be based upon the Level in which the second lowest Rating appears (it being understood that Level 1 contains the highest Ratings and Level 6 contains the lowest Ratings) and (ii) if Ratings are in effect from three or less Rating Agencies, the Letter of Credit Fee Rate shall be based upon the Level in which the lowest Rating appears (it being understood that Level 1 contains the highest Ratings and Level 6 contains the

lowest Ratings). Any change in the Applicable Letter of Credit Fee Rate resulting from a change in any Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as presently determined by the rating agencies and in the event of adoption of any new or changed rating system or a “global” rating scale by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. MICLA acknowledges, and the Bank agrees that, as of June 8, 2022, the Applicable Letter of Credit Fee Rate is that specified above in the second pricing matrix for Level 1. The Applicable Letter of Credit Fees shall be payable quarterly in arrears, together with interest thereon, from the date payment is due until payment in full at the Default Rate. The Applicable Letter of Credit Fees shall be payable in immediately available funds and computed on the basis of a year of 360 days and days actually elapsed. As long as the Letter of Credit has not terminated, MICLA covenants and agrees to cause the City to maintain at least two Ratings.

*Section 1.2. Draw Fees.* MICLA hereby agrees to pay or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease, quarterly in arrears on each Quarterly Payment Date occurring prior to the Letter of Credit Termination Date, and on the Letter of Credit Termination Date, a non-refundable fee of \$250 for each Drawing under the Letter of Credit during such quarterly period; *provided, however,* that MICLA shall not be required to pay more than \$2,500 in draw fees during any calendar year.

*Section 1.3. Amendment and Transfer Fee.* MICLA agrees to pay, or cause to be paid, to the Bank, from Additional Rental paid by the City under the Sublease, on the date of each amendment or modification of the Agreement, this Fee Letter or Letter of Credit, a fee of \$2,500, plus the reasonable fees and expenses of counsel to the Bank; *provided, however,* that no amendment fee shall be due in connection with an extension of the Stated Expiration Date. Upon each transfer of the Letter of Credit in accordance with its terms or the appointment of a successor Issuing and Paying Agent under the Issuing and Paying Agent Agreement, MICLA agrees to pay the Bank a non-refundable transfer fee in an amount equal to \$2,500, and to reimburse the Bank for its actual costs and expenses associated with such transfer or appointment (including, without limitation, the reasonable fees and expenses of counsel to the Bank), payable on the date of such transfer or appointment.

*Section 1.4. Notice of Termination and Decrease.* MICLA and the City agree not to terminate or replace the Letter of Credit or decrease the Stated Amount of the Letter of Credit, except upon (i) in the case of replacement of the Letter of Credit, the payment by MICLA to the Bank of all Obligations payable under the Agreement and this Fee Letter and (ii) MICLA providing the Bank with prior written notice of its intent to terminate or replace the Letter of Credit as and to the extent required by Section 2.13 of the Agreement; *provided,* that any such termination of the Letter of Credit shall be in compliance with the terms and conditions of the Trust Agreement and the Agreement; *provided, further,* that no termination fee or reduction fee shall become payable in connection with the termination or replacement of the Letter of Credit or any decrease in the Stated Amount of the Letter of Credit.

ARTICLE II. MISCELLANEOUS.

*Section 2.1. Out-of-Pocket Expenses.* MICLA shall pay, or cause to be paid, on the Closing Date the fees and disbursements of Chapman and Cutler LLP, special counsel to the Bank in the amount of \$[\_\_\_\_], in connection with the negotiation, preparation and execution of this Agreement and the other documents described herein.

*Section 2.2. Amendments.* No amendment to this Fee Letter shall become effective without the prior written consent of MICLA, the City and the Bank.

*Section 2.3. Governing Law.* THIS FEE LETTER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

*Section 2.4. Counterparts.* This Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument; and any of the parties hereto may execute this Fee Letter by signing any such counterpart. This Fee Letter may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

*Section 2.5. Severability.* Any provision of this Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

*Section 2.6. No Disclosure.* Unless required by law, rule, regulation or administrative or judicial process neither MICLA nor the City shall deliver or permit, authorize or consent to the delivery of this Fee Letter to any Person for delivery to the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent.

*Section 2.7. Amendment and Restatement.* This Fee Letter amends and restates in its entirety the Existing Fee Letter but is not intended to be or operate as a novation or an accord and satisfaction of the Existing Fee Letter or the indebtedness, obligations and liabilities of MICLA or the City evidenced or provided for thereunder. This Fee Letter does not extinguish the obligations outstanding under the Existing Fee Letter or any other Related Document or discharge or release the obligations or the liens or priority of any pledge or any other security therefor. Reference to this specific Fee Letter need not be made in any agreement, document, instrument, letter or certificate, the Existing Fee Letter itself or any communication issued or made pursuant to or with respect to the Existing Fee Letter, any reference to the Existing Fee Letter being sufficient to refer to the Existing Fee Letter as amended and restated hereby, and more specifically, any and all references to the Fee Letter in the Agreement shall mean this Fee Letter.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

MUNICIPAL IMPROVEMENT CORPORATION OF  
LOS ANGELES

By: \_\_\_\_\_  
Name: Ha To  
Title: Assistant Secretary and Assistant  
Treasurer

CITY OF LOS ANGELES

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

APPROVED AS TO FORM:

MICHAEL N. FEUER, CITY ATTORNEY

By: \_\_\_\_\_  
Name: Gerald Kim  
Title: Deputy City Attorney

U.S. BANK NATIONAL ASSOCIATION

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

**Attachment B – Resolution for MICLA Lease Revenue  
Commercial Paper Note Program (Los Angeles  
Convention Center)**

**RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES, CALIFORNIA, APPROVING AND AUTHORIZING THE EXECUTION OF CERTAIN LEGAL DOCUMENTS IN CONNECTION WITH THE REPLACEMENT OF THE CREDIT FACILITY FOR THE MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES LEASE REVENUE COMMERCIAL PAPER NOTE PROGRAM (LOS ANGELES CONVENTION CENTER) ESTABLISHED TO PROVIDE FOR THE ISSUANCE OF COMMERCIAL PAPER NOTES TO PROVIDE SHORT-TERM FINANCING FOR THE COSTS OF CERTAIN IMPROVEMENTS TO THE CONVENTION CENTER AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

**WHEREAS**, the City of Los Angeles (the “City”) previously requested that the Municipal Improvement Corporation of Los Angeles (“MICLA”) assist in providing short-term financing for the costs of certain improvements to the Convention and Exhibition Facility located upon a site within the City bounded by Chick Hearn Court/11th Street, Figueroa Street, Venice Boulevard and the Harbor Freeway (the “Convention Center”) and related expenses through the issuance by MICLA of its Lease Revenue Commercial Paper Notes (Los Angeles Convention Center) (the “Commercial Paper Notes”) from time to time in an aggregate principal amount not to exceed \$100,000,000 (the “Los Angeles Convention Center Commercial Paper Note Program”) pursuant to an Amended and Restated Trust Agreement, dated as of June 1, 2019 (the “Trust Agreement”), by and among MICLA, the City and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), and an Amended and Restated Issuing and Paying Agent Agreement, dated as of June 1, 2019 (the “Issuing and Paying Agent Agreement”), by and among MICLA, the City and U.S. Bank Trust Company, National Association, as successor issuing and paying agent (the “Issuing and Paying Agent”), all as previously approved by the Board of Directors of MICLA on April 17, 2019 and by this Council of the City on April 30, 2019; and

**WHEREAS**, in order to provide for the issuance by MICLA of the Commercial Paper Notes from time to time, MICLA leased the parcels of land, including the buildings and improvements located thereon, but excluding any appurtenant air rights, described on Exhibit A attached hereto (the “Property”) from the City pursuant to an Amended and Restated Site Lease, dated as of June 1, 2019 (the “Site Lease”), by and between the City, as lessor and MICLA, as lessee, and leased-back the Property to the City pursuant to an Amended and Restated Sublease, dated as of June 1, 2019 (the “Sublease”), by and between the City, as sublessee and MICLA, as sublessor, which Sublease requires the City to make certain base rental payments to MICLA and additional rental for the use and occupancy of the Property and which base rental payments were assigned pursuant to an Amended and Restated Assignment Agreement, dated as of June 1, 2019 (the “Assignment Agreement”), by and between MICLA and the Trustee; and

**WHEREAS**, the payment of principal and interest on the Commercial Paper Notes, are currently supported by an irrevocable direct-pay letter of credit, including any amendments thereto issued by State Street Bank and Trust Company (the “Prior Credit Facility”); and



**WHEREAS**, State Street Bank and Trust Company has informed the City and MICLA that it does not desire to extend the Prior Credit Facility beyond its stated expiration date, June 30, 2022; and

**WHEREAS**, MICLA and the City desire to replace the Prior Credit Facility from State Street Bank and Trust Company with the USB Credit Facility (as defined below) by delivery of the USB Credit Facility as an Alternate Credit Facility pursuant to the Trust Agreement; and

**WHEREAS**, in order to provide for the payment of principal and interest on \$100,000,000 aggregate principal amount of the Series A-1 Commercial Paper Notes and the Series B-1 Commercial Paper Notes, MICLA and the City have requested U.S. Bank National Association (“USB”) to issue an irrevocable direct-pay letter of credit (the “USB Credit Facility”) as an Alternate Credit Facility pursuant to the terms of a letter of credit and reimbursement agreement among MICLA, the City and USB (the “USB Reimbursement Agreement”), and in connection therewith, MICLA and the City will enter into a fee letter with USB (the “USB Fee Letter Agreement”) and MICLA will issue a revolving note (the “USB Revolving Note”) to USB to evidence the indebtedness of MICLA due and owing to USB under the USB Reimbursement Agreement; and

**WHEREAS**, the City Administrative Officer finds and recommends that, pursuant to Section 371(e)(10) of the Charter of the City, due to market conditions and circumstances and upon the analysis and advice of its municipal advisors, as further described in its report, the use of competitive bidding to replace the Prior Credit Facility would be undesirable and impractical, and that it is in the best interest of the City to replace the Prior Credit Facility with the USB Credit Facility and to enter into the USB Reimbursement Agreement and the USB Fee Letter Agreement with USB;

**WHEREAS**, the City desires to cause the delivery of additional Credit Facilities or additional Alternate Credit Facilities under the Trust Agreement for the Commercial Paper Notes from time to time and/or extend any existing Credit Facility and/or to amend any existing Credit Facility to increase or decrease the maximum principal amount of Commercial Paper Notes supported by such Credit Facility, and to cause any necessary designation of additional subseries of the Commercial Paper Notes (and any corresponding establishment of subaccounts with respect to such additional subseries) from time to time to facilitate such delivery or amendment, in support of a maximum \$100,000,000 aggregate principal amount of Commercial Paper Notes, payable from base rental payments made by the City to MICLA pursuant to a sublease of the Property; and

**WHEREAS**, the Commercial Paper Notes will continue to be placed from time to time by J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, as the initial dealers (as more particularly defined in the Trust Agreement, the “Dealers”) pursuant to separate commercial paper dealer agreements (the “Dealer Agreements”), by and among MICLA, the City and each of the Dealers, and the Dealers will utilize one or more offering memoranda (the “Offering Memoranda”) prepared by MICLA for the Commercial Paper Notes in connection with the marketing of the Commercial Paper Notes; and

**WHEREAS**, MICLA has authorized and requested the City to act as agent for MICLA (the City, in such capacity, the “MICLA Agent”) in connection with the Los Angeles Convention Center Commercial Paper Note Program and as agent in connection with the use of the proceeds of the Commercial Paper Notes for Project Costs as set forth in the Trust Agreement; and

**WHEREAS**, all acts, conditions and things required by the Constitution, laws of the State of California and the Charter of the City to exist, to have happened and to have been performed precedent to the adoption of this Resolution and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner (or, as applicable, will happen and be performed in regular due time, form and manner) as required by law, and the City is now duly authorized and empowered pursuant to each and every requirement of law to consummate such transactions for the purpose, in the manner and upon the terms herein provided;

**NOW, THEREFORE, BE IT RESOLVED, BY THE COUNCIL OF THE CITY OF LOS ANGELES**, as follows:

Section 1. The Commercial Paper Notes shall be issued by MICLA on behalf of the City from time to time in an aggregate total principal amount of not to exceed \$100,000,000 pursuant to the Trust Agreement and the Issuing and Paying Agent Agreement, and the USB Revolving Note shall be issued by MICLA pursuant to the Trust Agreement and the USB Reimbursement Agreement. This Council hereby reapproves the issuance by MICLA on behalf of the City of the Commercial Paper Notes from time to time in one or more series or subseries and as tax-exempt or taxable notes pursuant to the Trust Agreement and the Issuing and Paying Agent Agreement as part of the Los Angeles Convention Center Commercial Paper Note Program.

Section 2. The Offering Memoranda relating to the Commercial Paper Notes, substantially in the form of the Offering Memorandum which is before this Council and on file in the office of the City Administrative Officer of the City, are hereby approved. MICLA has authorized and requested the City to act as the MICLA Agent in connection with the printing and distribution of the Offering Memoranda from time to time to persons who may be interested in purchasing the Commercial Paper Notes. Each of the City Administrative Officer, any Assistant City Administrative Officer and any of their designees (each, an “Authorized Representative”) are each hereby authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to cause the printing of, and to distribute, the Offering Memoranda in substantially the form presented to this meeting, with such updates, additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of MICLA and the City, in consultation with the City Attorney, to persons who may be interested in purchasing the Commercial Paper Notes. This Council hereby reapproves, as the MICLA Agent, the placement of the Commercial Paper Notes by the Dealers pursuant to the Dealer Agreements and the distribution of the Offering Memoranda by the Dealers in connection therewith.

Additional offering memoranda (or amendments, supplements or amendment and restatements thereof) relating to the Commercial Paper Notes in connection with the delivery of additional Credit Facilities or additional Alternate Credit Facilities under the Trust Agreement

for the Commercial Paper Notes from time to time and/or extension of any existing Credit Facility and/or amendment of any existing Credit Facility as described in Section 4 below, are hereby approved; provided that any such additional offering memoranda shall be substantially in the form of the Offering Memoranda approved by this Resolution. MICLA has authorized and requested the City to act as the MICLA Agent in connection with the preparation, printing and distribution of such additional offering memoranda (or amendments, supplements or amendment and restatements thereof). Each Authorized Representative is hereby authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to cause the printing of, and to distribute, such additional offering memoranda (or amendments, supplements or amendment and restatements thereof), with such updates, additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of MICLA and the City, in consultation with the City Attorney, to persons who may be interested in purchasing the Commercial Paper Notes.

Section 3. This Council hereby adopts the findings and recommendations of the City Administrative Officer that, pursuant to Section 371(e)(10) of the Charter of the City, due to market conditions and circumstances and upon the analysis and advice of its municipal advisors, the use of competitive bidding to replace the Prior Credit Facility would be undesirable and impractical, and that it is in the best interest of the City to replace the Prior Credit Facility with the USB Credit Facility and to enter into the USB Reimbursement Agreement and the USB Fee Letter Agreement with USB. This Council hereby approves the City Administrative Officer's recommendation to replace the Prior Credit Facility with the USB Credit Facility and to enter into the USB Reimbursement Agreement and the USB Fee Letter Agreement with USB.

The USB Reimbursement Agreement and the USB Fee Letter Agreement, forms of which are before this Council and on file in the office of the City Administrative Officer of the City, are hereby approved. Each Authorized Representative is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver the USB Reimbursement Agreement and the USB Fee Letter Agreement, which shall be in substantially the forms presented to this meeting, with such additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the City (including without limitation any additions and changes in connection with the delivery of any additional Credit Facilities or additional Alternate Credit Facilities under the Trust Agreement for the Commercial Paper Notes and/or extension of any existing Credit Facility and/or amendment of any existing Credit Facility to increase or decrease the maximum principal amount of Commercial Paper Notes supported by such Credit Facility or to cause any necessary designation of additional subseries of the Commercial Paper Notes and any corresponding establishment of subaccounts with respect to such additional subseries, to facilitate such delivery or amendment), in consultation with the City Attorney, such determination and approval to be conclusively evidenced by such Authorized Representative's execution and delivery of such USB Reimbursement Agreement and USB Fee Letter Agreement. The USB Revolving Note, substantially in the form attached as an exhibit to the USB Reimbursement Agreement described above, is hereby approved, and the USB Revolving Note shall be issued by MICLA pursuant to the Trust Agreement and the USB Reimbursement Agreement. This Council hereby finds and determines that the USB Credit Facility is expected to result in a lower cost of borrowing to MICLA.

Section 4. MICLA has reauthorized and requested the City to act as the MICLA Agent in connection with the delivery of additional Credit Facilities or additional Alternate Credit Facilities under the Trust Agreement for the Commercial Paper Notes from time to time and/or extension of any existing Credit Facility and/or amendment of any existing Credit Facility to increase or decrease the maximum principal amount of Commercial Paper Notes supported by such Credit Facility, and to authorize any necessary designation of additional subseries of the Commercial Paper Notes (and any corresponding establishment of subaccounts with respect to such additional subseries) from time to time to facilitate such delivery or amendment, in support of a maximum \$100,000,000 aggregate principal amount of Commercial Paper Notes, payable from base rental payments made by the City to MICLA pursuant to a sublease of the Property. Each Authorized Representative continues to be authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to cause the delivery of such additional Credit Facilities or additional Alternate Credit Facilities and/or such extension of any existing Credit Facility and/or such amendment of any existing Credit Facility to increase or decrease the maximum principal amount of Commercial Paper Notes supported by such Credit Facility, if such Authorized Representative deems it in the best interests of MICLA and the City to do so, and each Authorized Representative continues to be authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver any amendments, supplements or amendment and restatements or replacements of the Program Documents (as defined below) from time to time to facilitate such delivery or amendment, as applicable, in support of a maximum \$100,000,000 aggregate principal amount of Commercial Paper Notes, payable from base rental payments made by the City to MICLA pursuant to a sublease of the Property; provided that (i) any such documents shall be substantially in the forms of the equivalent documents executed and delivered by an Authorized Representative pursuant to this Resolution or pursuant to prior authorization from this Council; (ii) any provider of an additional Credit Facility or additional Alternate Credit Facility under the Trust Agreement for the Commercial Paper Notes must be a bank or financial institution rated “A” or “A2” or its equivalent or better by any rating agency; and (iii) no reimbursement agreement or amendment thereto shall require an initial annual fee in excess of 1.95% of the commitment amount.

Section 5. Each Authorized Representative is hereby authorized to approve such other changes and additions to the Commercial Paper Notes, the Site Lease, the Sublease, the Assignment Agreement, the Trust Agreement, the Issuing and Paying Agent Agreement, the Dealer Agreements, the Offering Memoranda, the USB Credit Facility, the USB Reimbursement Agreement, the USB Fee Letter Agreement and the USB Revolving Note (collectively, the “Program Documents”) as he or she shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, in consultation with the City Attorney, the execution and delivery of any such documents, the issuance of the Commercial Paper Notes and the USB Revolving Note and the distribution of the Offering Memoranda to be conclusive evidence of such determination and approval of any such changes or additions. Each Authorized Representative is hereby further authorized and directed, for and in the name of and on behalf of the City, to do any and all things and to execute any and all certificates, agreements (including any custodial agreements, escrow agreements, termination agreements, indemnifications or any other documents necessary to clear title on any of the properties subject to any of the Program Documents or any recordation memoranda or agreements or easement agreements with respect to such properties) and other closing documents, including letters of direction, as are necessary to consummate the transactions contemplated by this Resolution and the Program Documents.

Each Authorized Representative is hereby further authorized and directed, for and in the name of and on behalf of the City, to do any and all things and to execute any and all amendments to the letter of credit and reimbursement agreements and related fee letter agreements for the Los Angeles Convention Center Commercial Paper Note Program or other documents to provide for a short-term extension of the term of any Prior Credit Facility for the Los Angeles Convention Center Commercial Paper Note Program, as such Authorized Representative, or any of the City's municipal advisors, shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, and deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 6. MICLA has authorized and requested the City to act as the MICLA Agent in connection with the Los Angeles Convention Center Commercial Paper Note Program and the use of the proceeds of the Commercial Paper Notes for Project Costs as set forth in the Trust Agreement. Each Authorized Representative continues to be authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to take such actions in connection with the Los Angeles Convention Center Commercial Paper Note Program and the use of the proceeds of the Commercial Paper Notes for Project Costs as set forth in the Trust Agreement if such Authorized Representative deems it in the best interests of MICLA and the City to do so.

Section 7. Each Authorized Representative is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to add any additional parcels of land, including the buildings and improvements located thereon, but excluding any appurtenant air rights, constituting a portion of the Convention Center to Exhibit A attached hereto, and/or to remove any parcels of land, including the buildings and improvements located thereon, but excluding any appurtenant air rights, constituting a portion of the Convention Center that is a Property under the Site Lease, the Sublease and the Assignment Agreement supporting the Los Angeles Convention Center Commercial Paper Note Program as such Authorized Representative, or any of the City's municipal advisors, shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, and deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 8. Each Authorized Representative continues to be authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to replace the Trustee under the Trust Agreement if such Authorized Representative deems it in the best interests of MICLA and the City to do so, provided that no replacement shall require an annual fee in excess of \$10,000 for services as the Trustee. Each Authorized Representative continues to be authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to replace the Issuing and Paying Agent under the Issuing and Paying Agent Agreement if such Authorized Representative deems it in the best interests of MICLA and the City to do so, provided that no replacement shall require an annual fee in excess of \$10,000 for services as the Issuing and Paying Agent. Each Authorized Representative is hereby authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver any other amendments to and assignments of the Dealer Agreements necessary to make conforming changes to the Dealer Agreements in connection with the

transactions contemplated by this Resolution as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, in consultation with the City Attorney, such determination and approval to be conclusively evidenced by such Authorized Representative's execution and delivery of such amendments or assignments. MICLA has reauthorized and requested the City to act as the MICLA Agent in connection with the replacement of one or more of the Dealers or the retention of additional dealers for the Commercial Paper Notes from time to time. Each Authorized Representative continues to be authorized and directed, on behalf of the City as the MICLA Agent, without further action of this Council, to replace one or more of the Dealers or to retain additional dealers for the Commercial Paper Notes if such Authorized Representative deems it in the best interests of MICLA and the City to do so and any Authorized Representative continues to be authorized and directed, without further action of this Council, for and in the name of and on behalf of the City, to execute and deliver new Dealer Agreements with such broker-dealers or banks, which shall be in substantially the form presented to this meeting, with such additions and changes therein as such Authorized Representative shall determine is necessary or desirable or otherwise approve as being in the best interests of the City, in consultation with the City Attorney, such determination and approval to be conclusively evidenced by such Authorized Representative's execution and delivery of such new Dealer Agreements; provided that no replacement shall require an annual fee in excess of 0.10% of the weighted average of the principal amount of the Commercial Paper Notes sold by such Dealer.

Section 9. The Authorized Representatives and the officers and employees of the City are, and each of them is, hereby authorized and directed, for and in the name of and on behalf of the City to do any and all things and to execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 10. All actions heretofore taken by the officers and employees of the City with respect to the Los Angeles Convention Center Commercial Paper Note Program or the issuance and delivery of the Commercial Paper Notes are hereby approved, confirmed and ratified.

Section 11. All of the agreements contemplated by this Resolution may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Facsimile signatures or signatures scanned into a portable document format (.pdf file) (or signatures in another electronic format designated by the City) and sent by e-mail shall be deemed original signatures, unless stated otherwise in the agreement.

Section 12. This Resolution shall take effect immediately upon its adoption.

## Exhibit A

### Leased Properties

1. Los Angeles Convention Center West Hall, Parcels 5 & 6, e/s L.A. Live Way, Chick Hearn Court South to Pico Blvd. Los Angeles, California 90015

This Exhibit A shall be deemed to include such other properties from time to time designated by the City and covered by a valid lease ordinance.

**Exhibit A – Letter of Credit and Reimbursement  
Agreement with US Bank, including form of  
revolving note and letter of credit**



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LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

dated as of June 1, 2022

among

MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES,  
CITY OF LOS ANGELES,

and

U.S. BANK NATIONAL ASSOCIATION

relating to

\$100,000,000 aggregate principal amount of  
Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Tax-Exempt  
Series A-1 and Taxable Series B-1

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## LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

THIS LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated as of June 1, 2022, among the MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES (“*MICLA*”), the CITY OF LOS ANGELES (the “*City*”) and U.S. BANK NATIONAL ASSOCIATION (together with its successors and assigns, the “*Bank*”).

### WITNESSETH

WHEREAS, pursuant to an Amended and Restated Trust Agreement, dated as of June 1, 2019, by and among MICLA, the City and U.S. Bank Trust Company, National Association, as successor trustee (the “*Trustee*”), as it is from time to time amended, supplemented, waived and modified in accordance therewith and with Section 5.1(b) hereof (the “*Trust Agreement*”), MICLA may from time to time issue up to \$100,000,000 in aggregate principal amount outstanding at any time of its Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Tax-Exempt Series A-1 and Taxable Series B-1 (the “*Commercial Paper Notes*” and each, a “*Commercial Paper Note*”);

WHEREAS, the Trust Agreement provides, as a condition precedent to the issuance of the Commercial Paper Notes, for delivery to the Issuing and Paying Agent (as defined in the Trust Agreement) of a letter of credit with respect to the Commercial Paper Notes; and

WHEREAS, the Bank has agreed to issue its letter of credit pursuant to this Agreement;

NOW THEREFORE, in consideration of the premises and in order to induce the Bank to issue the letter of credit, the parties hereto agree as follows:

### ARTICLE I

#### DEFINITIONS

*Section 1.1. Certain Defined Terms.* The following terms, as used herein, have the following meanings:

“*Additional Rental*” has the meaning set forth in the Sublease.

“*Advance*” means any Principal Advance or Default Advance.

“*Affirmative Action Program*” has the meaning set forth in Section 7.1(c) hereof.

“*Agreement*” means this Letter of Credit and Reimbursement Agreement, as the same may from time to time be amended, supplemented or otherwise modified in accordance with its terms.

“*Alternate Credit Facility*” has the meaning set forth in the Trust Agreement.

“*Applicable Letter of Credit Fee*” has the meaning set forth in the Fee Letter.

“*Assignment Agreement*” means the Amended and Restated Assignment Agreement, dated as of June 1, 2019, by and between MICLA and the Trustee, as amended, supplemented, waived and modified from time to time in accordance therewith and with Section 5.1(b) hereof.

“*Bank*” has the meaning assigned that term in the first paragraph of this Agreement.

“*Base Rate*” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time plus one percent (1.00%), (ii) the Federal Funds Rate in effect at such time plus two percent (2.00%), and (iii) seven and one half of one percent (7.50%). Each determination of the Base Rate by the Bank shall be conclusive and binding absent manifest error.

“*Base Rental Payments*” has the meaning set forth in the Sublease.

“*Base Rental Period*” has the meaning set forth in the Trust Agreement.

“*Business Day*” means any day other than (i) a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in the State of California or New York for commercial banking purposes; (ii) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks are authorized or required by law or executive order to be closed in the city and state in which demands for payment may be presented under the Letter of Credit.

“*CAFR*” has the meaning set forth in Section 5.1(a)(i) hereof.

“*Child Support Provisions*” has the meaning set forth in Section 7.2 hereof.

“*City*” means the City of Los Angeles, California, a municipal corporation and charter city, and its successors and assigns.

“*City Representative*” has the meaning set forth in the Trust Agreement.

“*Commercial Paper Note*” and “*Commercial Paper Notes*” each has the meaning assigned in the first recital of this Agreement.

“*Component*” has the meaning set forth in the Sublease.

“*Contingent Obligation*” means, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any indebtedness, leases, dividends, or other obligations (“*primary obligations*”) of any other Person (the “*primary obligor*”) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation, or (y) to maintain working capital or equity capital of the primary obligor

or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided, however*, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

“*Credit Event*” means any one of the following: the issuance of the Letter of Credit; the making of any Principal Advance; or the conversion of a Principal Advance to a Term Loan.

“*Date of Issuance*” means the date on which the conditions precedent set forth in Section 3.1 of this Agreement are met or waived by the Bank and the Letter of Credit is issued.

“*Dealer*” means, with respect to the Commercial Paper Notes, each and every Dealer appointed by MICLA pursuant to a Dealer Agreement, or any successors or assigns permitted under a Dealer Agreement or any other dealer for the Commercial Paper Notes appointed by MICLA.

“*Dealer Agreement*” means, collectively, each Commercial Paper Dealer Agreement, by and among MICLA, the City and one of J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC respectively, as a Dealer, or any other agreement among MICLA, the City and any other dealer for the Commercial Paper Notes appointed by MICLA, providing for the acceptance by such Dealer of the duties and obligations imposed thereby and imposing certain other duties and obligations, as amended, supplemented, waived and modified from time to time in accordance therewith and with Section 5.1(b) hereof.

“*Debt*” means, with respect to any Person, (a) all indebtedness of such Person for borrowed money; (b) all obligations of such Person as lessee under capital leases; (c) all obligations of such Person to pay the deferred purchase price of property or services; (d) certificates of participation evidencing an undivided ownership interest in payments made by such Person as lessee under capital leases, as purchaser under an installment sale agreement or otherwise as an obligor in connection therewith; (e) all Guarantees by such Person of Debt of another Person; (f) the face amount of any letter of credit issued for the account of such Person and, without duplication, all drafts drawn and reimbursement obligations arising thereunder; (g) all Debt of a second Person secured by any lien on any property owned by such first Person, whether or not such Debt has been assumed; (h) all obligations of such Person to pay a specified purchase price for goods or services whether or not delivered or accepted, including but not limited to, take-or-pay or similar obligations; and (i) all Contingent Obligations of such Person; *provided, however*, that Debt shall not include trade payables arising in the ordinary course of business; and *provided, further, however*, that with respect to the City, Debt shall exclude conduit, enterprise and other Debt that have no claim on the General Fund of the City.

“*Default*” means an event that with the giving of notice or passage of time, or both, shall constitute an Event of Default.

“*Default Advance*” or “*Default Advances*” each has the meaning assigned that term in Section 2.6(c).

“*Default Rate*” means, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day plus four percent (4.00%).

“*Drawing*” has the meaning assigned to that term in the Letter of Credit.

“*Electronic Means*” means a notice provided by telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including telephonic communication confirmed by any other method set forth in this definition and including any other communications method acceptable to the parties giving and receiving such notice.

“*Event of Default*” has the meaning assigned that term in Section 6.1 hereof.

“*Equal Employment Practices*” has the meaning set forth in Section 7.1(b) hereof.

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Bank on such day on such transactions as determined by the Bank.

“*Fee Letter*” means that certain Fee Letter dated June [\_\_\_], 2022, among MICLA, the City and the Bank, as the same may be amended and supplemented from time to time and any agreement entered into in substitution thereof.

“*Final Drawing*” means the drawing to be made by the Issuing and Paying Agent in the form of Annex G to the Letter of Credit upon receipt of a Final Drawing Notice.

“*Final Drawing Notice*” means a Tier One Final Drawing Notice in the form of Exhibit E-2 hereto, a Tier Two Termination Notice in the form of Exhibit F hereto or a New Tier Two Termination Notice in the form of Exhibit G hereto, as applicable.

“*Fiscal Year*” means the twelve-month period commencing on July 1 of each year; *provided, however*, that the City may, from time to time, agree on a different twelve-month period as the Fiscal Year.



“*Fitch*” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

“*GAAP*” means generally accepted accounting principles in effect from time to time for government units and as prescribed by the Governmental Accounting Standards Board in the United States.

“*Governmental Authority*” means any federal, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, administrative, public or statutory instrumentality, authority, body, agency, commission, bureau or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any zoning authority, the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind a party at law.

“*Issuing and Paying Agent Agreement*” means the Amended and Restated Issuing and Paying Agent Agreement, dated as of June 1, 2019, by and among MICLA, the City and U.S. Bank Trust Company, National Association, as successor Issuing and Paying Agent for the Commercial Paper Notes, providing for the acceptance by such Issuing and Paying Agent of the duties and obligations imposed thereby and imposing certain other duties and obligations, as the same shall have been amended, supplemented or otherwise modified as permitted thereby.

“*Issuing and Paying Agent*” means the Issuing and Paying Agent appointed with respect to the Commercial Paper Notes pursuant to Article V of the Trust Agreement, and having the duties, responsibilities and rights provided for therein, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant thereto.

“*Kroll*” means Kroll Bond Rating Agency, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

“*Lease Obligation Debt*” means any Debt of the City and/or MICLA, the payment of which is payable from and/or secured by lease revenue rental payments payable under real property (but not equipment) leases from the general fund of the City.

“*Letter of Credit*” means an irrevocable letter of credit issued by the Bank, in substantially the form of Exhibit A hereto.

“*Letter of Credit Termination Date*” means the Stated Expiration Date or such earlier date on which the Letter of Credit is terminated in accordance with its terms.

“*Material City Debt*” means any Debt of the City that is outstanding in a principal amount of \$10,000,000 or more.

“*Maximum Base Rental*” has the meaning set forth in the Trust Agreement.

*“Maximum Rate”* means ten percent (10%) per annum.

*“Measure H Ordinance”* has the meaning set forth in Section 7.3 hereof.

*“Measure H Subcontract”* has the meaning set forth in Section 7.3 hereof.

*“MICLA”* has the meaning assigned that term in the first paragraph of this Agreement.

*“MICLA Representative”* has the meaning set forth in the Trust Agreement.

*“Minimum Required Rental Payment”* has the meaning set forth in the Sublease.

*“Minimum Supplemental Rental Payments”* has the meaning set forth in the Sublease.

*“Moody’s”* means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

*“New Tier Two Termination Date”* has the meaning set forth in Section 3.3(a) hereof.

*“New Tier Two Termination Notice”* means the written notice, in the form attached as Exhibit G hereto, given by the Bank to MICLA and the City and the Issuing and Paying Agent pursuant to Section 3.3(c) hereof.

*“Note”* and *“Notes”* each has the meaning set forth in the Trust Agreement.

*“Notice of Extension”* means a notice from the Bank to the Issuing and Paying Agent in the form of Annex F to the Letter of Credit.

*“Obligations”* means any and all amounts including, but not limited to, fees, expenses and Reimbursement Obligations, which may from time to time be owing by MICLA to the Bank under this Agreement, the Revolving Note and the Fee Letter.

*“Offering Memorandum”* means the offering memorandum with respect to the Commercial Paper Notes.

*“Original Stated Amount”* means \$105,000,000.

*“Outstanding,”* when used in reference to Commercial Paper Notes means, as of a particular date, all Commercial Paper Notes authenticated and delivered pursuant to the Trust Agreement except: (i) any Commercial Paper Note cancelled at or before such date, (ii) any Commercial Paper Note deemed to have been paid in accordance with the Trust Agreement and (iii) any Commercial Paper Note in lieu of or in substitution for which another Commercial Paper Note shall have been authenticated and delivered pursuant to the Trust Agreement.

“*Participant Bank*” means any institution to which the Bank has granted a participation in or assigned, sold, or otherwise transferred the whole or any part of the Bank’s rights or obligations (or both) under this Agreement or any other Related Document.

“*Participant/Subcontractor Notice*” has the meaning set forth in Section 7.3 hereof.

“*Permitted Encumbrances*” has the meaning set forth in the Sublease.

“*Person*” means an individual, a corporation, a partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“*Pledged Property*” has the meaning set forth in the Trust Agreement.

“*Prime Rate*” means on any day, the rate of interest in effect for such day as publicly announced from time to time by the Bank as its “prime rate.” The “*prime rate*” is a rate set by the Bank based upon various factors including the Bank’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by the Bank shall take effect at the opening of business on the day specified in the public announcement of such change.

“*Principal*” means, with respect to the Bank or a Participant or a Subcontractor, each of the following: (i) the chairman/chairwoman of the Bank’s or Participant’s or Subcontractor’s (as applicable) Board of Directors; (ii) each of the Bank’s or the Participant’s or Subcontractor’s (as applicable) president, chief executive officer, and chief operating officer (and the functional equivalent of each such position); (iii) any individual who holds an ownership interest in the Bank or the Participant or the Subcontractor (as applicable) of twenty percent or more; (iv) any individual employee of the Bank described in Section 49.7.35.A.6(c) of the Los Angeles Municipal Code and identified on a disclosure form submitted on the Date of Issuance pursuant to the Measure H Ordinance, which as of the Date of Issuance is titled “Bidder Contributions CEC Form 55”; and (v) any individual employee of the Participant or Subcontractor (as applicable) described in Section 49.7.35.A.6(c) of the Los Angeles Municipal Code and identified on a disclosure form submitted by such Participant or Subcontractor (as applicable) pursuant to the Measure H Ordinance.

“*Principal Advance*” and “*Principal Advances*” each has the meaning assigned to that term in Section 2.5 hereof.

“*Principal Advance Date*” has the meaning assigned to that term in Section 2.5 hereof.

“*Principal Advance Rate*” means, with respect to a Principal Advance and on any particular date, a per annum rate of interest calculated with respect to such Principal Advance equal to (i) for the period commencing on the date such Principal Advance is made up to and including the thirtieth day after the date on which such Principal Advance is made, the Base Rate from time

to time in effect, (ii) for the period commencing on thirty-first day after such Principal Advance is made up to and including the sixtieth day after the date on which such Principal Advance is made, the Base Rate from time to time in effect plus one percent (1.00%) and (iii) for the period commencing on the sixty-first day after the Principal Advance is made through and including the ninetieth day after the date on which such Principal Advance is made, the Base Rate from time to time in effect plus two percent (2.00%).

“*Property*” has the meaning set forth in the Trust Agreement.

“*Quarterly Payment Date*” means the first day of each March, June, September and December.

“*Rating Agency*” means one or all of Fitch, Kroll, Moody’s and S&P and/or any successor or additional nationally recognized securities rating agency selected by MICLA, in each case, only to the extent a rating is maintained by the City at any such Rating Agency in respect of its unenhanced Lease Obligation Debt.

“*Reimbursement Obligations*” means any and all amounts owing by MICLA to the Bank under this Agreement for all amounts drawn under the Letter of Credit, Principal Advances, Term Loans and Default Advances.

“*Related Documents*” means the Trust Agreement, the Letter of Credit, this Agreement, the Fee Letter, the Commercial Paper Notes, the Revolving Note, the Issuing and Paying Agent Agreement, the Offering Memorandum, the Site Lease, the Sublease, the Assignment Agreement and the Dealer Agreements.

“*Rental Payments*” has the meaning set forth in the Sublease.

“*Request for Decrease in the Stated Amount*” means a notice from MICLA and the City to the Bank substantially in the form of Exhibit C attached hereto.

“*Request for Extension*” means a notice from MICLA and the City to the Bank substantially in the form of Exhibit D attached hereto.

“*Revolving Note*” means MICLA’s revolving note, substantially in the form of Exhibit B attached hereto, issued to the Bank pursuant to Section 2.11 hereof, to evidence the indebtedness of MICLA due and owing to the Bank under this Agreement with respect to amounts drawn on the Letter of Credit.

“*S&P*” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, a corporation organized and existing under the laws of the State of New York, its successors and assigns.

“*Site Lease*” means the Amended and Restated Site Lease, dated as of June 1, 2019, by and between the City and MICLA, as from time to time amended or supplemented in accordance therewith and with Section 5.1(b) hereof.

“*State*” means the State of California.

“*Stated Amount*” has the meaning assigned that term in the Letter of Credit.

“*Stated Expiration Date*” has the meaning assigned to that term in the Letter of Credit.

“*Stop Issuance Instruction*” means a Tier One Stop Issuance Instruction.

“*Subcontractor*” means a Person, other than the Bank or an employee of the Bank, who is expected to receive at least \$100,000 as a result of performing some or all of the Bank’s obligations under the Letter of Credit.

“*Sublease*” means the Amended and Restated Sublease, dated as of June 1, 2019, by and between the City and MICLA, as amended, supplemented, waived and modified from time to time in accordance therewith and with Section 5.1(b) hereof.

“*Sublease Term*” has the meaning set forth in the Sublease.

“*Taxes*” has the meaning assigned that term in Section 2.9(b).

“*Term Loan*” and “*Term Loans*” each has the meaning assigned that term in Section 2.6(a).

“*Term Loan Conversion Date*” has the meaning assigned that term in Section 2.6(a).

“*Term Loan Rate*” means, on any particular date, a per annum rate of interest calculated with respect to a particular Term Loan equal to the Base Rate from time to time in effect for such date plus three percent (3.00%).

“*Tier One Final Drawing Notice*” means the written notice, in the form attached as Exhibit E-2 hereto, given by the Bank to MICLA, the City and the Issuing and Paying Agent pursuant to Section 3.3(a) hereof and Section 6.2 hereof.

“*Tier One Stop Issuance Instruction*” means the written instruction, in the form attached as Exhibit E-1 hereto, given by the Bank to MICLA, the City and the Issuing and Paying Agent pursuant to Section 3.3(b) hereof or Section 6.2 hereof.

“*Tier Two Termination Notice*” means the written notice, in the form attached as Exhibit F hereto, given by the Bank to MICLA, the City and the Issuing and Paying Agent pursuant to Section 3.3(c) hereof.

“*Tier Two Termination Date*” has the meaning set forth in Section 3.3(a) hereof.

“*Trust Agreement*” has the meaning assigned in the first recital of this Agreement.

“Trustee” means U.S. Bank Trust Company, National Association, as successor trustee, and its successor or successors, and any other person that may at any time be substituted in its place pursuant to the Trust Agreement.

“Use of Criminal History Provisions” has the meaning set forth in Section 7.4 hereof.

*Section 1.2. Computation of Time Periods.* In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise specified herein, the word “from” means “from and including” and the words “till” and “until” each mean “to but excluding.” All references to time in this Agreement shall mean Los Angeles time, whether or not so expressed and unless expressed otherwise.

*Section 1.3. Accounting Terms.* All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistently applied.

*Section 1.4. Terms Defined in Trust Agreement.* Any capitalized term not defined herein shall have the meaning ascribed to such term in the Trust Agreement.

*Section 1.5. Construction.* The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Articles, Sections and Exhibits shall be construed to refer to Articles and Sections of, and Exhibits to, this Agreement.

*Section 1.6. Fee Letter.* References in this Agreement to “this Agreement” shall, whenever the context permits, be deemed to be references to “this Agreement and/or the Fee Letter” and references to “hereunder” or “hereto” (or words of similar import) shall, whenever the context permits, be deemed to be references to “hereunder and/or under the Fee Letter” or “hereto and/or under the Fee Letter.”

## ARTICLE II

### AMOUNT AND TERMS OF THE LETTER OF CREDIT

*Section 2.1. The Letter of Credit.* The Bank agrees, on the terms and conditions hereinafter set forth, to issue the Letter of Credit to the Issuing and Paying Agent in the Original

Stated Amount as of the Date of Issuance and expiring by its terms not later than the Stated Expiration Date.

*Section 2.2. Issuance of the Letter of Credit.* The Bank will issue the Letter of Credit to the Issuing and Paying Agent on the Date of Issuance upon fulfillment of the applicable conditions precedent set forth in Section 3.1.

*Section 2.3. Fees.* MICLA hereby agrees to pay or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease a non-refundable Applicable Letter of Credit Fee at the times and in the amounts set forth in the Fee Letter. MICLA hereby agrees to pay or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease, all other amounts set forth in the Fee Letter at the times and in the amounts set forth therein. The terms and provisions of the Fee Letter are hereby incorporated herein by reference as if fully set forth herein. All references to amounts or obligations due hereunder shall be deemed to include all amounts and obligations (including without limitation fees and expenses) under the Fee Letter.

*Section 2.4. Payment of Amounts Drawn on Letter of Credit.* (a) MICLA hereby agrees to pay or cause to be paid to the Bank an amount equal to that amount drawn on the Bank under the Letter of Credit pursuant to any Drawing with respect to the payment of accrued interest on maturing Commercial Paper Notes, or, subject to the provisions of Section 2.5 hereof, any Drawing with respect to the payment of principal of maturing Commercial Paper Notes, on the same Business Day such drawing is honored.

(b) Any amount drawn under the Letter of Credit pursuant to a Drawing that is not repaid to the Bank when due as provided in clause (a) of Section 2.4 hereof, shall bear interest at the Default Rate until paid in full, payable on demand. Principal Advances, Term Loans and Default Advances shall be repaid to the Bank as provided in Sections 2.5 and 2.6 hereof.

(c) Any amount drawn under the Letter of Credit shall be noted by the Bank as principal due and owing on the grid attached to the Revolving Note pursuant to Section 2.11 hereof.

*Section 2.5. Principal Advances.* If the Bank shall make any payment under the Letter of Credit pursuant to a Drawing with respect to the payment of principal of maturing Commercial Paper Notes and the conditions precedent set forth in Section 3.2 hereof shall have been fulfilled, and MICLA (at its option) does not reimburse or cause to be reimbursed the Bank in connection therewith on the same Business Day, then such payment shall constitute a principal advance made by the Bank to MICLA on the date (the "*Principal Advance Date*") and in the amount of such payment (each such advance being a "*Principal Advance*" and, collectively, the "*Principal Advances*"). MICLA hereby agrees to pay or cause to be paid interest on the unpaid amount of each Principal Advance from the Principal Advance Date until such amount is repaid in full. Such interest shall be payable by MICLA monthly in arrears (based on a 365-day or 366-day year, as applicable, and the actual days elapsed since the Principal Advance Date), on the first Business Day of each calendar month during the term of each Principal Advance and, with respect to any such amount repaid, on the date any such amount is repaid, at a rate per annum equal to the Principal Advance Rate.

*Section 2.6. Conversion of Principal Advances to Term Loans; Term Loans; Default Advances.* (a) Subject to the satisfaction of the conditions set forth in Section 3.2 hereof, any amount of a Principal Advance (but not a Default Advance) remaining unpaid by MICLA to the Bank under Section 2.5 hereof on the ninetieth (90th) day after the date on which such Principal Advance was made (the “*Term Loan Conversion Date*”) shall be converted to a term loan (each, a “*Term Loan*” and, collectively, the “*Term Loans*”).

(b) Subject to Section 2.7(c) hereof and Section 2.13 hereof, MICLA shall repay or cause to be repaid the principal amount of each Term Loan in installments as to principal, commencing on the first Quarterly Payment Date that is no less than ninety (90) days following the Term Loan Conversion Date and on each Quarterly Payment Date thereafter, and on the date which is the fifth (5th) anniversary of the applicable Term Loan Conversion Date. The principal amount of each Term Loan shall be amortized over such five (5)-year period in equal quarterly installments of principal; *provided, however*, that the unpaid amount of each Term Loan shall be paid or caused to be paid by MICLA in each year only to the extent of the available Maximum Base Rental for (and in any event only to the extent of the then available fair rental value of) the Components subject to the Sublease for such Base Rental Period (taking into consideration all amounts then due and payable under any Notes), and to the extent not so repaid, such Term Loan shall be paid or caused to be paid by MICLA during each subsequent Base Rental Period, to the extent owed, to the extent of the available Maximum Base Rental for (and in any event only to the extent of the then available fair rental value of) the Components subject to the Sublease for each such subsequent Base Rental Period (taking into consideration all amounts then due and payable under any Notes), and such Term Loan shall continue to be an obligation of the City pursuant to the Sublease. MICLA may prepay or cause to be prepaid the outstanding amount of any Term Loan in whole or in part with accrued interest to the date of such prepayment on the amount prepaid. The amount of the Letter of Credit and the amounts available to be drawn thereunder by the Issuing and Paying Agent by any Drawing shall not be increased with respect to the conversion of a Principal Advance to a Term Loan. Each Term Loan shall bear interest at the Term Loan Rate, payable by MICLA quarterly in arrears on each Quarterly Payment Date during the term of such Term Loan and on the date on which the final installment of principal of the Term Loan is payable.

(c) If (i) the Bank shall make any payment under the Letter of Credit pursuant to a Drawing with respect to the payment of principal of maturing Commercial Paper Notes and the conditions set forth in Section 3.2 hereof shall not have been fulfilled, and MICLA fails to reimburse or cause to be reimbursed the Bank in connection therewith, (ii) the Bank shall have made a Principal Advance to MICLA and such amount remains outstanding on the Stated Expiration Date, (iii) the Bank shall have made a Principal Advance to MICLA and the conditions set forth in Section 3.2 hereof shall not have been fulfilled on the Term Loan Conversion Date or (iv) an Event of Default shall have occurred while any Principal Advance remains outstanding, such payment or Principal Advance shall constitute a default advance (and not a Principal Advance) made by the Bank to MICLA from and after the date and in the amount of such payment under the Letter of Credit or such other date on which any event described in clauses (i), (ii), (iii) or (iv) above shall occur (each such default advance being a “*Default Advance*” and, collectively, the “*Default Advances*”). MICLA hereby agrees to pay or cause to be paid to the Bank (i) interest at the Default Rate on any amount of the Default Advance remaining unpaid by MICLA to the Bank from the date of such Default Advance until payment in full, payable in arrears, upon



demand, and (ii) the unpaid amount of each Default Advance immediately upon demand by the Bank but if no demand is made, then on each Quarterly Payment Date in an amount equal to the available Maximum Base Rental for (and in any event only to the extent of the then available fair rental value of) the Components subject to the Sublease for such quarterly period (taking into consideration all amounts then due and payable under any Notes); *provided, however*, that the unpaid amount of each Default Advance shall be paid or caused to be paid by MICLA in each year only to the extent of the available Maximum Base Rental for (and in any event only to the extent of the then available fair rental value of) the Components subject to the Sublease for such Base Rental Period (taking into consideration all amounts then due and payable under any Notes), and to the extent not so repaid, such Default Advance shall be paid or caused to be paid by MICLA during each subsequent Base Rental Period, to the extent owed, to the extent of the available Maximum Base Rental for (and in any event only to the extent of the then available fair rental value of) the Components subject to the Sublease for each such subsequent Base Rental Period (taking into consideration all amounts then due and payable under any Notes), and such Default Advance shall continue to be an obligation of the City pursuant to the Sublease.

*Section 2.7. Prepayment of Principal Advances or Term Loans; Reinstatement of Letter of Credit Amounts.* (a) MICLA may prepay or cause to be prepaid the amount of any Principal Advance or Term Loan outstanding in whole or in part with accrued interest to the date of such repayment on the amount prepaid. Any prepayment in part under this Section 2.7(a) shall be applied by the Bank against each such Principal Advance or Term Loan, as the case may be, in the order in which each such Principal Advance or Term Loan, as the case may be, was made.

(b) Any prepayment made under Section 2.7(a) hereof shall be applied by the Bank as a reimbursement of the related Drawing (and as a prepayment of the Principal Advance or Term Loan, as the case may be, resulting from such Drawing) and, in the case of a prepayment of a Principal Advance, MICLA irrevocably authorizes the Bank to reinstate the amount available to be drawn under the Letter of Credit by the amount of such prepayment; *provided, however*, that the Issuing and Paying Agent shall not deliver any Commercial Paper Notes (the aggregate principal and interest of which is payable from the amount of the Letter of Credit so reinstated) for sale or otherwise until the Letter of Credit has been reinstated pursuant to the terms of this Agreement and the Letter of Credit. The amount of the Letter of Credit and the amounts available to be drawn thereunder by the Issuing and Paying Agent by any Drawing shall not be increased with respect to repayments of Term Loans or Default Advances, unless otherwise agreed to by the Bank.

(c) In the event that the Issuing and Paying Agent delivers any Commercial Paper Notes while any Principal Advance or Term Loan or any portion of any Principal Advance or Term Loan remains unpaid, MICLA shall apply the proceeds of any such Commercial Paper Notes to the prepayment of such outstanding Principal Advance or Term Loan, as the case may be. Any prepayment in part under this Section 2.7(c) shall be applied against each such Principal Advance or Term Loan, as the case may be, in the order in which each such Principal Advance or Term Loan, as the case may be, was made.

*Section 2.8. Increased Costs; Capital Adequacy.* (a) If the Bank or any Participant Bank shall have determined that the adoption or implementation of, or any change in, any law, rule,

treaty, regulation, policy, guideline, supervisory standard or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority (in each case, whether or not having the force of law), or compliance by the Bank or any Participant Bank with any request by or directive of any Governmental Authority (in each case, whether or not having the force of law), including but not limited to any such law, rule, regulation, policy, guideline, standard, directive, interpretation, application or promulgation implementing, invoking or in any way related to any provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby), regardless of the date enacted, adopted or issued, or any rules, guidelines, standards, policies, regulations, or directives promulgated by the Basel Committee on Banking Supervision or the Bank for International Settlements (or any successor or similar organizations), regardless of the date enacted, adopted or issued, shall:

(i) change the basis of taxation of payments to the Bank or such Participant Bank of any amounts payable hereunder or under the Revolving Note or the Fee Letter (except for taxes on the overall net income of the Bank or such Participant Bank); or

(ii) impose, modify or deem applicable any reserve, liquidity, capital or liquidity ratio, special deposit, insurance premium, fee, financial charge, monetary burden or similar requirement against funding any Drawing under the Letter of Credit or maintaining the Letter of Credit, or making any Advance under, or complying with any term of, this Agreement, or against assets held by, or deposits with or for the account of, the Bank or such Participant Bank; or

(iii) impose on the Bank or such Participant Bank any other condition, expense or cost regarding this Agreement, the Revolving Note, any Drawing or Advance, or the Letter of Credit;

and the result of any event referred to in clause (i), (ii) or (iii) above shall be to increase the cost to the Bank or such Participant Bank of funding any Drawing under the Letter of Credit or maintaining the Letter of Credit, or making any Advance under, or complying with any term of, this Agreement or the Letter of Credit or to reduce the amount of any sum received or receivable by the Bank or such Participant Bank hereunder or under the Revolving Note or the Fee Letter (each such instance, referred to individually herein as a “*Reduction in Amount*” and, collectively as “*Reductions in Amount*”), then MICLA shall pay or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease, at such time and in such amount as is set forth in paragraph (c) of this Section 2.8, such additional amount or amounts as will compensate the Bank or such Participant Bank for such increased costs or Reductions in Amount.

The Bank or Participant Bank (as the case may be) shall use commercially reasonable efforts to provide to MICLA, as soon as reasonably practicable after a Responsible Officer (as hereinafter defined) has actual knowledge that the Bank or Participant Bank (as the case may be) has determined to demand additional compensation under this Section 2.8(a) and the amount thereof, written notice of the occurrence or expected occurrence of any event referred to in clause (i), (ii) or (iii) above, setting forth in reasonable detail the amount or amounts of such additional compensation (such notice, a “*Yield Protection Demand Notice*”) and the date or

anticipated date upon which the Bank or Participant Bank is demanding or expects to make such demand upon MICLA. Subject to the third full paragraph of Section 2.8(c) hereof, in the event that MICLA pays all outstanding Obligations and effects the termination of the Letter of Credit (the date of such payment and termination, the “*Termination Date*”), then MICLA shall not be obligated to pay, from Additional Rental paid by the City under the Sublease, any compensation set forth in such Yield Protection Demand Notice for any increased costs or Reductions in Amount incurred or suffered during, or relating to, any period after the Termination Date. MICLA and the Bank agree that the intent of this provision is solely to assist MICLA in managing its financing costs and that the Bank shall have no liability of any kind for failure to timely provide a Yield Protection Demand Notice. All such amounts will be payable, from Additional Rental paid by the City under the Sublease, as set forth in Section 2.8(c) hereof. As used in this provision, “*Responsible Officer*” means the officer of the Bank to whom notices to the Bank are required to be addressed under Section 8.2 hereof.

Notwithstanding the foregoing, a failure or delay by the Bank or any Participant Bank to deliver to MICLA a Yield Protection Demand Notice shall in no event relieve the obligation of MICLA of any obligation under this Section 2.8(a). Additionally, nothing set forth in this Section 2.8(a) shall limit the obligation of MICLA to pay to the Bank, from Additional Rental paid by the City under the Sublease, any increased cost imposed upon the Bank related to any event referred to in clause (i), (ii) or (iii) of this Section 2.8(a).

(b) If the Bank or any Participant Bank shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty, regulation, policy, guideline, supervisory standard or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority (in each case whether or not having the force of law), or compliance by the Bank or any Participant Bank with any request by or directive of any Governmental Authority (in each case, whether or not having the force of law), including but not limited to any such law, rule, regulation, policy, guideline, standard, directive, interpretation, application or promulgation implementing, invoking or in any way related to any provision (as now or hereafter amended) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby) or any rules, guidelines, standards, or directives promulgated by the Basel Committee on Banking Supervision or the Bank for International Settlements (or any successor or similar organizations), shall impose, modify or deem applicable any capital (including but not limited to contingent capital) or liquidity adequacy, reserve, insurance, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank or any Participant Bank allocates capital or liquidity resources or reserves to its commitments) that either:

(i) affects or would affect the amount of capital or liquidity or reserves to be maintained by the Bank or such Participant Bank, or

(ii) reduces or would reduce the rate of return on the Bank’s or such Participant Bank’s capital or liquidity or reserves to a level below that which the Bank or such Participant Bank could have achieved but for such circumstances (taking into consideration the policies of the Bank or such Participant Bank with respect to capital or liquidity adequacy or the maintenance of reserves), then

the Bank or Participant Bank (as the case may be) shall use commercially reasonable efforts to provide to MICLA, as soon as reasonably practicable after its Responsible Officer (as hereinafter defined) has actual knowledge that the Bank has determined to demand additional compensation for such reduction under this Section 2.8(b) and the amount thereof, written notice of the occurrence or expected occurrence of any event referred to in clause (i) or (ii), setting forth in reasonable detail the amount or amounts of such additional compensation (such notice, a “*Capital or Liquidity Adequacy Demand Notice*”) and the date or anticipated date upon which the Bank or Participant Bank is demanding or expects to make such demand upon MICLA. Subject to the third full paragraph of Section 2.8(c) hereof, in the event that MICLA pays all outstanding Obligations and effects the termination of the Letter of Credit, then MICLA shall not be obligated to pay any compensation set forth in such Capital or Liquidity Adequacy Demand Notice for any such reduction incurred or suffered during, or relating to, any period after the Termination Date. MICLA and the Bank agree that the intent of this provision is solely to assist MICLA in managing its financing costs and that the Bank shall have no liability of any kind for failure to timely provide a Capital or Liquidity Adequacy Demand Notice. All such amounts will be payable, from Additional Rental paid by the City under the Sublease, as set forth in Section 2.8(c) hereof.

Notwithstanding the foregoing, (i) a failure or delay by the Bank or any Participant Bank to deliver to MICLA a Capital or Liquidity Adequacy Demand Notice shall in no event relieve the obligation of MICLA of any obligation under this Section 2.8(b). Additionally, nothing set forth in this Section 2.8(b) shall limit the obligation of MICLA to pay to the Bank, from Additional Rental paid by the City under the Sublease, any increased cost imposed upon the Bank related to any event referred to in clause (i) or (ii) of this Section 2.8(b).

(c) All payments of amounts referred to in this Section 2.8 shall be paid by MICLA, from Additional Rental paid by the City under the Sublease, to the Bank, for its own account, or to the Participant Bank for the account of such Participant Bank, as applicable, within sixty (60) days of the date the Bank or Participant Bank makes demand therefor on MICLA; *provided* that, subject to the following proviso, any increased costs in excess of the product of twenty basis points (0.20%) times the Original Stated Amount shall be paid by MICLA, from Additional Rental paid by the City under the Sublease, to the Bank, for its own account, or to the Participant Bank for the account of such Participant Bank, as applicable, within one hundred twenty (120) calendar days of the date the Bank or the Participant Bank, as applicable, makes demand therefor on MICLA; *provided further* that to the extent a particular amount of increased costs in excess of the product of twenty basis points (0.20%) times the Original Stated Amount is expected to be an ongoing obligation of MICLA (referred to herein as “*Recurring Increased Costs*”) as determined by the Bank or the Participant Bank, as applicable, in a written notice from the Bank or the Participant Bank, as applicable, to MICLA, then after the first payment of such Recurring Increased Costs pursuant to the immediately preceding proviso, subsequent payments of such Recurring Increased Costs shall be due and payable, from Additional Rental paid by the City under the Sublease, within sixty (60) days of the date the Bank or Participant Bank makes demand therefor on MICLA or on such recurring payment date as otherwise agreed to in writing by the Bank and MICLA.

The amounts demanded in the respective Yield Protection Demand Notice or Capital or Liquidity Adequacy Demand Notice or any other written notice from the Bank to MICLA making a demand on MICLA for the payment of increased costs or Reductions in Amount pursuant to this

Section 2.8, as applicable, are intended to compensate the Bank or Participant Bank, as applicable, for such increased costs or Reductions in Amount incurred by the Bank or such Participant Bank as a result of any event referred to in subsections (a) or (b) above. Any Yield Protection Demand Notice or Capital or Liquidity Adequacy Demand Notice or any other written notice from the Bank to MICLA making a demand on MICLA for the payment of increased costs or Reductions in Amount pursuant to this Section 2.8 submitted by the Bank or any Participant Bank to MICLA shall be conclusive as to the amount thereof absent manifest error.

MICLA shall not be required to compensate the Bank or any Participant Bank pursuant to this Section 2.8 in respect of a period occurring more than six (6) months prior to the date the above-described written demand is given to MICLA with respect thereto (the “*Cut-Off Date*”), except where (i) the Bank or Participant Bank, as applicable, had no actual knowledge of the action resulting in such increased costs, increased capital or liquidity or Reduction in Amount, as applicable, as of the Cut-Off Date or (ii) such increased costs, increased capital or liquidity or Reduction in Amount apply to the Bank or Participant Bank retroactively to a date prior to the Cut-Off Date.

In making the determinations contemplated by any Yield Protection Demand Notice or Capital or Liquidity Adequacy Demand Notice or any other written notice from the Bank to MICLA making a demand on MICLA for the payment of increased costs or Reductions in Amount pursuant to this Section 2.8, the Bank or Participant Bank may make and shall include in such notice such reasonable estimates, assumptions, allocations and the like that the Bank or Participant Bank in good faith determines to be appropriate. For purposes of this Section 2.8, the term “Bank” or “Participant Bank” as applicable, shall also include any entity controlling the Bank or Participant Bank or the holding company thereof. For purposes of the immediately preceding sentence, “controlling” means the power to direct the management and policies of the Bank, directly or indirectly, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract or otherwise. The obligations of MICLA under this Section 2.8 shall survive the termination of this Agreement, the Letter of Credit and repayment of all Obligations hereunder and under the Fee Letter.

(d) Notwithstanding anything to the contrary in this Section 2.8, in the event the Bank grants any participation to any Participant Bank pursuant to Section 8.7(b) hereof, neither MICLA nor the City shall have any obligation to pay amounts pursuant to this Section 2.8 in an amount greater than that which it would have been required to pay if the Bank had not granted such participation.

*Section 2.9. Payments and Computations.* (a) MICLA shall make or cause to be made each payment hereunder representing reimbursement pursuant to Section 2.4 hereof to the Bank of the amount drawn on the Bank pursuant to a Drawing made under the Letter of Credit not later than 1:00 P.M. Los Angeles time (4:00 P.M. New York City time), on the day when due. MICLA shall make or cause to be made all other payments hereunder and/or under the Fee Letter not later than 10:00 A.M. Los Angeles time (1:00 P.M. New York City time), on the day when due. All payment made by MICLA under this Agreement and the Fee Letter shall be made in lawful money of the United States of America to the account of the Bank by wire in accordance with Section 2.9(d) in immediately available funds; *provided, however*, that whenever any payment hereunder

or under the Fee Letter shall be due on a day that is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day, and any interest payable thereon shall be payable for such extended time; and *provided, further*, that MICLA shall be permitted to make any payment pursuant to the Fee Letter in next day funds if such payment is made (i) on the Business Day immediately preceding the date on which such payment would otherwise have been due and (ii) in an amount equal to the amount that would have been required to have been paid had the payment not been made in next day funds in reliance upon this proviso. Payment received by the Bank after the applicable time set forth in this Section 2.9 shall be considered to have been made on the next succeeding Business Day. Solely upon the written request of MICLA, the Bank shall provide to MICLA a written statement describing in reasonable detail the basis for any computation of any payment to be made hereunder or under the Fee Letter. Computations of the Base Rate, the Principal Advance Rate, the Term Loan Rate and the Default Rate hereunder shall be made by the Bank on the basis of a year of 365 days or 366 days, as applicable, for the actual number of days elapsed.

(b) All payments hereunder and under the Fee Letter will be made without counterclaim, setoff, condition or defense free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction, taxing authority or taxing jurisdiction in which the Bank or any Participant Bank is organized, has its principal place of business, is managed and controlled or from which or through payments to or from the Bank or such Participant Bank are made (each, a “*Taxing Jurisdiction*”), but excluding any tax imposed on the overall net income of the Bank or such Participant Bank pursuant to the laws of the jurisdiction (or any political subdivision or taxing authority thereof or therein) in which the principal office of the Bank or such Participant Bank is located, and all interest, penalties or similar liabilities with respect thereto (all such non-excluded taxes, levies, imposts, duties, fees, assessments or other charges being hereinafter referred to as “*Taxes*”); *provided, however*, that if the Bank or any Participant Bank, as the case may be, is not organized under the laws of the United States or a state thereof, MICLA shall have no liability with respect to any Taxes which are imposed on the Bank or any such Participant Bank pursuant to the laws of the Taxing Jurisdiction in which the principal office of the Bank or such Participant Bank is located unless (i) the Bank or such Participant Bank is entitled to the benefits of an income tax treaty with the United States that provides for an exemption from United States withholding tax on interest and other amounts payable to the Bank or such Participant Bank, as the case may be, pursuant to the terms of this Agreement, the Revolving Note and any other Related Document, or (ii) all interest and other amounts payable to the Bank or such Participant Bank pursuant to the terms of this Agreement, the Revolving Note or any other Related Documents will be effectively connected with the conduct by the Bank or such Participant Bank of a trade or business within the United States. If any Taxes are so levied or imposed, MICLA agrees to pay or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease, on demand the full amount of such Taxes and such additional amounts as may be necessary so that every payment of all amounts due hereunder, under the Fee Letter, under the Revolving Note or under any Related Document, after withholding or deduction for or on account of any Taxes, will not be less than the amount provided for herein, in the Fee Letter, in the Revolving Note or in such Related Document. MICLA will deliver to the Bank within 45 days after the date the payment of any Taxes is due pursuant to applicable law certified copies of tax receipts evidencing such payment by MICLA. To the extent permitted by law, MICLA will indemnify and hold harmless the Bank or such

Participant Bank and reimburse the Bank upon written request, from Additional Rental paid by the City under the Sublease, for the amount of any Taxes so levied or imposed and paid by the Bank or such Participant Bank.

(c) Unless otherwise provided herein, amounts not paid when due shall bear interest at the Default Rate and shall be payable upon demand of the Bank.

(d) Payments under this Agreement and/or the Fee Letter shall be made to the Bank by wire transfer of immediately available funds as follows: (i) with respect to fees, the wire instruction are U.S. Bank National Association, ABA #[\_\_\_\_], Account Name: [\_\_\_\_], Account Number: [\_\_\_\_], Reference: [\_\_\_\_] and (ii) with respect to reimbursement of drawings under the Letter of Credit, the wire instruction are U.S. Bank National Association, ABA #[\_\_\_\_], Account Name: [\_\_\_\_], Account Number: [\_\_\_\_] Reference: [\_\_\_\_], or such other account as the Bank may designate from time to time in writing.

*Section 2.10. Extension of Stated Expiration Date; Reduction in Stated Amount.*

(a) *Extension of Stated Expiration Date.* On the Date of Issuance, the Stated Expiration Date shall be June 30, 2025; *provided* that such date shall be subject to extension at any time following the then scheduled Stated Expiration Date, as set forth below and in the Letter of Credit. At least 90 days but not more than 180 days prior to the Stated Expiration Date, MICLA and the City may request in writing that the Bank extend the Stated Expiration Date for an additional term of one year or such other period as the parties may agree by delivery to the Bank of a Request for Extension. Within 30 days of the date of any such Request for Extension, the Bank will notify MICLA and the City in writing of the decision by the Bank in its absolute discretion whether to extend for such additional period, the Stated Expiration Date for purposes of this Agreement and the Letter of Credit, including in such notice the extended Stated Expiration Date and the conditions of such consent (including conditions relating to legal documentation and the consent of the Issuing and Paying Agent). If the Bank does so agree to extend, the Bank shall deliver an executed Notice of Extension to the Issuing and Paying Agent. If the Bank shall not so notify MICLA, the Bank shall be deemed to have denied any such extension.

(b) *Decrease in Stated Amount.* MICLA and the City may elect to decrease the Stated Amount of the Letter of Credit from time to time prior to the Stated Expiration Date by delivery of a Request for Decrease in Stated Amount to the Bank, upon receipt of which the Bank will notify the Issuing and Paying Agent by means of a notice in the form attached to the Letter of Credit as Annex E, thereby decreasing the Stated Amount, all as set forth in the Letter of Credit. Upon such decrease, the Stated Amount of the Letter of Credit shall not be less than the sum of (i) the face value of all discount Commercial Paper Notes and (ii) the principal amount of all outstanding non-discount Commercial Paper Notes plus all interest to accrue on such non-discount Commercial Paper Notes to the maturity date thereof.

*Section 2.11. Evidence of Debt; Revolving Note.* The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of MICLA resulting from each Drawing under the Letter of Credit and from each Advance and Term Loan made from

time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such accounts shall be prima facie evidence of the existence and amounts of the obligations of MICLA therein recorded. To evidence the indebtedness of MICLA due and owing to the Bank under this Agreement with respect to amounts drawn under the Letter of Credit, MICLA will issue the Revolving Note, substantially in the form of Exhibit B attached hereto, to the Bank on the Date of Issuance. The Bank shall note on the grid attached to the Revolving Note principal amounts owing to the Bank, and the maturity schedule therefor pursuant to Sections 2.5 and 2.6 respecting outstanding Advances and Term Loans with interest until payment in full pursuant to the terms of the Revolving Note.

*Section 2.12. Obligations Absolute.* The obligations of MICLA under this Agreement and the Fee Letter shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms thereof, under all circumstances whatsoever, including without limitation the following circumstances:

- (a) any lack of validity or enforceability of any of the Related Documents;
- (b) any amendment to, waiver of or consent to departure from any provision of, this Agreement or any of the Related Documents;
- (c) the existence of any claim, set-off, defense or other right which MICLA or the City may have at any time against the Trustee, the Issuing and Paying Agent, any Dealer, the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement), any beneficiary or any transferee of the Letter of Credit (or any person or entity for whom any such beneficiary or any such transferee may be acting) or any other Person, whether in connection with this Agreement, any Related Document or any unrelated transaction;
- (d) any demand, statement or any other document presented under the Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;
- (e) any non-application or misapplication by the Issuing and Paying Agent of the proceeds of any drawing under the Letter of Credit;
- (f) payment by the Bank under the Letter of Credit to the person entitled thereto against presentation of a draft or certificate which does not comply strictly with the terms of the Letter of Credit; or
- (g) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Nothing contained in this Section 2.12 shall operate to prevent MICLA or the City from bringing a cause of action against the Bank for any liability it may incur as a result of the Bank's gross negligence or willful misconduct as and to the extent provided in Section 8.5 hereof.



Notwithstanding the foregoing, the obligations of MICLA under this Agreement are a special obligation of MICLA payable solely from the Pledged Property. To the extent the City pays any obligation of MICLA under this Agreement, such payment shall be deemed to be payment by MICLA of such obligation.

*Section 2.13. Termination; Acceptance of Alternate Credit Facility.* MICLA may terminate the Letter of Credit prior to the Stated Expiration Date by (i) (A) delivering to the Issuing and Paying Agent an Alternate Credit Facility in substitution for the Letter of Credit in accordance with the terms and conditions of Trust Agreement and causing the Issuing and Paying Agent to deliver written notice to the Bank in the form of Annex C to the Letter of Credit or (B) -causing the Issuing and Paying Agent to deliver written notice to the Bank in the form of Annex D to the Letter of Credit in accordance with the terms and conditions of Trust Agreement, as applicable; and (ii) delivering written notice to the Bank not less than thirty (30) days prior to the substitution date or termination date, as applicable. On or prior the date, if any, on which an Alternate Credit Facility is substituted for the Letter of Credit, MICLA hereby agrees to pay, or cause to be paid, to the Bank all unpaid Obligations including, without limitation, any Advance or Term Loan and all amounts owing on the Revolving Note, at or prior to the time of such termination. Notwithstanding the foregoing, MICLA shall have no obligation to provide the written notice described in clause (ii) of this Section 2.13 if the termination of the Letter of Credit shall occur within the thirty (30) days preceding the Stated Expiration Date.

*Section 2.14. Pledge by MICLA.* To provide security to the Bank for the payment by MICLA of the Obligations and any and all amounts now or hereafter owing to the Bank under this Agreement, the Revolving Note and the Fee Letter, MICLA has pledged to the Bank the Pledged Property pursuant to the Trust Agreement and as evidenced by the Assignment Agreement.

*Section 2.15. Maximum Interest Rate; Payment of Fee.* If the rate of interest payable hereunder shall exceed any maximum interest rate permitted by law for any period for which interest is payable, then (i) interest at such maximum interest rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) such maximum interest rate (the "*Excess Interest*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed such maximum interest rate, at which time MICLA shall pay or cause to be paid to the Bank, with respect to amounts then payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal such maximum interest rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. Upon the termination of, this Agreement, in consideration for any limitation of the rate of interest which may otherwise be payable hereunder, MICLA shall pay or cause to be paid to the Bank a fee equal to the amount of all unpaid deferred Excess Interest (the "*Termination Fee*"); *provided* that the Termination Fee shall be payable as and to the extent that the available Maximum Base Rental for (and in any event only to the extent of the then fair rental value of) the Components subject to the Sublease for such Base Rental Period exceeds the sum of all other Reimbursement Obligations remaining unpaid hereunder and the amount of interest accruing on the Commercial Paper Notes during such Base Rental Period. MICLA hereby represents and warrants that the obligations of MICLA under the

Revolving Note and all other Reimbursement Obligations hereunder are not subject to any limitation as to maximum interest rate.

*Section 2.16. Adjustment of Base Rental Payments.* (a) Following the Stated Expiration Date and for so long thereafter as any Reimbursement Obligations remain unpaid, the City and MICLA shall increase the amount of the Base Rental Payments payable under the Sublease for the Property for each Base Rental Period to the available Maximum Base Rental for (and in any event only to the extent of the then fair rental value of) the Property for the Components subject to the Sublease for such Base Rental Period, as it may be re-determined in accordance with subsection (b) below.

(b) Following the Stated Expiration Date and for so long thereafter as any Reimbursement Obligations remain unpaid, unless the Sublease has terminated in accordance with its terms, the City and MICLA agree, at the Bank's sole written request, from time to time (but not more than once in any twelve-month period), to determine or cause to be determined, the Maximum Base Rental for one or more Components for each Base Rental Period based on the then fair rental value for such Components for each Base Rental Period. Such determination shall be by any method that the Bank may reasonably request, subject to the reasonable approval of such method by the City, MICLA and bond counsel, including a Class C appraisal conducted by an employee of the City and shall be at the sole expense of the City and MICLA; *provided, however*, that in no event shall the newly determined Maximum Base Rental for one or more Components for each Base Rental Period cause bond counsel to advise that its opinion on the validity or enforceability of the Sublease may no longer be relied upon. In addition, the City and MICLA agree to extend the term of (i) the Site Lease in accordance with Section 4 thereof and (ii) the Sublease in accordance with Section 2.2 thereof, if, on the stated expiration thereof, any amounts remain owing to the Bank hereunder or under any of the other Related Documents.

*Section 2.17. Electronic Transmissions.* The Bank is authorized to accept and process any amendments, transfers, assignments of proceeds, instructions, consents, waivers and all documents relating to the Letter of Credit which are sent to the Bank by electronic means and such communication shall have the same legal effect as if written and shall be binding upon and enforceable against the City and/or MICLA. The Bank may, but shall not be obligated to, require authentication of such electronic transmission or that it receives original documents prior to acting on such electronic transmission; *provided, however*, that the presentation of draw certificates under the Letter of Credit will be governed by the Letter of Credit.

### ARTICLE III

#### CONDITIONS OF ISSUANCE

*Section 3.1. Conditions Precedent to Issuance of the Letter of Credit.* The obligation of the Bank to issue the Letter of Credit is subject to the fulfillment of the following conditions

precedent on or before the Date of Issuance in form and substance and in a manner satisfactory to the Bank:

(a) The Bank shall have received:

(i) Certified copies of the resolutions of MICLA and the City approving this Agreement, the other Related Documents and the other matters contemplated hereby and thereby, and all other documents, including records of proceedings of MICLA and the City, instruments, governmental approvals, third party approvals and opinions as the Bank and its counsel may reasonably request evidencing any other necessary action.

(ii) A certificate of MICLA and the City stating the names and true signatures of the officers of MICLA and the City authorized to sign this Agreement and the other documents to be delivered by MICLA and the City hereunder.

(iii) Executed or conformed copies of each of the Related Documents in form and substance satisfactory to the Bank.

(iv) A letter addressed to the Bank from Hawkins Delafield & Wood LLP, entitling the Bank to rely on such firm's approving Commercial Paper Note opinion addressed to MICLA.

(v) Evidence that the ratings assigned to the Commercial Paper Notes by Fitch and S&P are the short-term ratings of the Bank.

(vi) The Revolving Note duly executed and delivered by MICLA to the Bank, which Revolving Note shall have been assigned a CUSIP number that is separate and distinct from the CUSIP numbers for the Commercial Paper Notes.

(vii) A certificate of the City setting forth the Maximum Base Rental for each Component subject to the Sublease for each Base Rental Period for the remaining term of the Sublease.

(viii) Certificates of MICLA and the City stating that (A) on the Date of Issuance, no event has occurred and is continuing, or would result from the issuance of the Letter of Credit, which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both, and that (B) on the Date of Issuance and after giving effect to the issuance of the Letter of Credit, all representations and warranties of MICLA and the City contained herein or otherwise made in writing in connection herewith shall be true and correct in all material respects with the same force and effect as though such representations and warranties had been made on and as of such time.

(ix) An opinion of the City Attorney of the City, as counsel to MICLA, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(x) An opinion of the City Attorney of the City, as counsel to the City, in form and substance satisfactory to the Bank and its counsel, and addressed to the Bank.

(xi) Audited financial statements for the City for the two most recently available Fiscal Years and the most recent unaudited operating budget summaries for the City's General Fund for the current fiscal year.

(xii) Evidence of title insurance on the Components in the form of a copy of the CLTA leasehold policy (10-21-87) of title insurance issued on June 21, 2019 insuring the Trustee on behalf of the owners of the commercial paper notes (including the Commercial Paper Notes) and the banks (including the Bank), in an amount not less than the aggregate principal amount of the Funding Commitments (as defined in the Trust Agreement), subject only to such exceptions as shall be reasonably acceptable to the Bank, with such endorsements and affirmative coverages as may be reasonably required by the Bank, including such endorsements as may be reasonably required by the Bank, and otherwise in form and substance reasonably satisfactory to the Bank and its counsel.

(xiii) Evidence of the City's current all-risk (including rental interruption) insurance for the Components. The Bank shall also have received a certificate from the City's Risk Manager stating that the City's current policies of insurance and any self-insurance or alternative risk management programs maintained by the City comply with the provisions of Section 4.3 of the Sublease and Section 5.1(u) hereof. Any such commercial insurance policies shall name the Bank as loss payee and additional insured and shall be issued by insurers rated "A" or better by Best's or approved by the Bank.

(xiv) A copy of the investment policy of the City.

(xv) Certificates of the Trustee and the Issuing and Paying Agent evidencing the signatures and offices of officers of each executing the Related Documents and with respect to the Issuing and Paying Agent, authorized to draw on the Letter of Credit, and with respect to such other matters as the Bank may reasonably request.

(xvi) Such other documents, certificates, opinions, approvals and filings with respect to the Related Documents and this Agreement as the Bank may reasonably request.

(xvii) Evidence that the City has appropriated amounts sufficient to pay the Base Rental Payments due, or anticipated to be due in the 2019/2020 Fiscal Year with respect to the Components.

(b) All other legal matters pertaining to the execution and delivery of this Agreement, the Related Documents and the issuance of the first installment of the Commercial Paper Notes shall be reasonably satisfactory to the Bank and its counsel.

(c) MICLA shall have made payment to the Bank of all amounts due on the Date of Issuance under Section 8.6 hereof.

Upon issuance of the Letter of Credit by the Bank, all conditions precedent contained in this Section 3.1 shall be deemed to have been met or waived by the Bank.

*Section 3.2. Conditions Precedent to Each Credit Event.* As a condition precedent to the occurrence of each Credit Event hereunder, including the initial Credit Event, the following conditions shall be satisfied on the date of such Credit Event:

(a) no Event of Default shall have occurred and be continuing; and

(b) the representations and warranties made by MICLA and the City in Article IV hereof (other than in Sections 4.1(g) and 4.2(g) hereof) shall be true and correct in all material respects on and as of such date, as if made on and as of such date.

On the occurrence of each Credit Event, MICLA shall be deemed to have represented and warranted that the foregoing conditions precedent have been satisfied.

*Section 3.3. Stop Issuance Instructions; Final Drawing Notice.* (a) Commercial Paper Notes may be issued from time to time prior to the Stated Expiration Date in accordance herewith and with the terms of and subject to the conditions set forth in the Trust Agreement and the Issuing and Paying Agent Agreement so long as (i) the Issuing and Paying Agent is not in receipt of a Tier One Stop Issuance Instruction then in effect given by the Bank pursuant to this Section 3.3 or Section 6.2 hereof and not rescinded and (ii) the Issuing and Paying Agent is not in receipt of a Tier One Final Drawing Notice in the form attached hereto as Exhibit E-2. Upon the Issuing and Paying Agent's receipt of a Tier Two Termination Notice given by the Bank pursuant to this Section 3.3 and not rescinded, no Commercial Paper Notes may be issued thereafter with a maturity later than the one hundred twentieth (120th) day (or such earlier day as may be provided in Section 3.3(c) following the date of delivery of such Tier Two Termination Notice) (the "*Tier Two Termination Date*") and on the Tier Two Termination Date, the Issuing and Paying Agent shall make the Final Drawing under the Letter of Credit to provide for the payment of Commercial Paper Notes issued in accordance with the Trust Agreement and the Issuing and Paying Agent Agreement which are outstanding and are maturing on or after the Tier Two Termination Date. Upon the Issuing and Paying Agent's receipt of a New Tier Two Termination Notice given by the Bank pursuant to this Section 3.3 and not rescinded, no Commercial Paper Notes may be issued thereafter with a maturity later than the earlier of (i) the fifteenth (15th) day following receipt of the New Tier Two Termination Notice or (ii) any existing Tier Two Termination Date (the earlier

of such dates, the “*New Tier Two Termination Date*”). On the New Tier Two Termination Date, the Issuing and Paying Agent shall make the Final Drawing under the Letter of Credit to provide for the payment of Commercial Paper Notes issued in accordance with the Trust Agreement and the Issuing and Paying Agent Agreement which are outstanding and are maturing on or after the New Tier Two Termination Date.

(b) The Bank may deliver a Tier One Stop Issuance Instruction at any time when: (i) an Event of Default shall have occurred and be continuing; or (ii) the conditions precedent to the occurrence of a Credit Event set forth in Section 3.2 have not been satisfied. The Bank may deliver the Tier One Final Drawing Notice in the form of Exhibit E-2 at any time when an Event of Default shall have occurred and be continuing. A Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice shall be effective when received by the Issuing and Paying Agent; *provided, however,* that a Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice received by the Issuing and Paying Agent after 8:00 A.M. Los Angeles time (11:00 A.M. New York City time), on any day on which Commercial Paper Notes are being issued shall be effective on the next succeeding day. A Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within twenty-four (24) hours, but the failure to so confirm such Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice in writing shall not render such Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice ineffective. The Bank will furnish a copy of any Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice to MICLA, the City and the Dealer(s) promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such Tier One Stop Issuance Instruction or the Tier One Final Drawing Notice.

(c) The Bank may deliver a Tier Two Termination Notice in the form of Exhibit F hereto at any time when it has been determined by the Bank in its sole and absolute discretion that the Bank is unable to comply with any of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (i) any change in the Bank’s policies after the Date of Issuance or (ii) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions after the Date of Issuance. A Tier Two Termination Notice (or New Tier Two Termination Notice, as applicable) shall be effective when received by the Issuing and Paying Agent; *provided, however,* that a Tier Two Termination Notice (or New Tier Two Termination Notice, as applicable) received by the Issuing and Paying Agent after 8:00 A.M. Los Angeles time (11:00 A.M. New York City time), on any day on which Commercial Paper Notes are being issued shall be effective on the next succeeding day. Notwithstanding the foregoing, in the event any monetary or civil penalties are imposed on the Bank as a result of its inability to comply with one or more provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (i) any change in the Bank’s policies after the Date of Issuance or (ii) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions, as applicable, after the Date of Issuance, then upon the Bank’s delivery of a New Tier Two

Termination Notice in the form of Exhibit G hereto setting forth a New Tier Two Termination Date (which may be sooner than the original Tier Two Termination Date, but in any event not sooner than the earliest to occur of (a) the 15th day following the Issuing and Paying Agent's receipt of the New Tier Two Termination Notice, or (b) the original Tier Two Termination Date), the Issuing and Paying Agent shall make the Final Drawing under the Letter of Credit on such New Tier Two Termination Date to provide for the payment of Commercial Paper Notes issued in accordance with the Trust Agreement and the Issuing and Paying Agent Agreement which are outstanding and are maturing on or after the New Tier Two Termination Date. A Tier Two Termination Notice or New Tier Two Termination Notice may be given by facsimile or electronic mail transmission, confirmed in writing within twenty-four (24) hours, but the failure to so confirm such Tier Two Termination Notice or New Tier Two Termination Notice in writing shall not render any such notice ineffective. The Bank will furnish a copy of any Tier Two Termination Notice or New Tier Two Termination Notice to MICLA, the City and the Dealer promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such Tier Two Termination Notice or New Tier Two Termination Notice. Notwithstanding any provisions of this paragraph to the contrary, in the event (1) MICLA and the City provides a waiver or exemption to the Bank which states that the Bank (x) is not required to comply with the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions, as applicable, (y) is not in violation of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions, as applicable and/or (z) is not required to satisfy any monetary or civil penalties imposed on the Bank related to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions, as applicable, and (2) the Bank receives a City Attorney's opinion or other opinion of counsel satisfactory to the Bank confirming the foregoing, the Bank shall immediately rescind the Tier Two Termination Notice or New Tier Two Termination Notice, as applicable, and such Tier Two Termination Notice or New Tier Two Termination Notice shall no longer be effective.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES

*Section 4.1. City Representations and Warranties.* The City represents and warrants that, as of the date on which this Agreement is executed:

(a) *Existence.* The City is validly existing as a municipal corporation organized and existing under its charter and the laws of the State, with full right and power to own its properties and to carry on its affairs as now being conducted and to execute, deliver and perform its obligations under this Agreement and each other Related Document to which it is a party.

(b) *Authorization; Contravention.* The execution, delivery and performance by the City of this Agreement and the other Related Documents to which it is a party are within the City's powers, have been duly authorized by all necessary action, require no further

consent or action by or in respect of, or filing with, any governmental body, agency, official or other Person and do not violate or contravene, or constitute a default under, any provision of applicable law, charter, ordinance or regulation or of any material agreement, judgment, injunction, order, writ, determination, award, decree or material instrument binding upon the City or by which the City or its properties may be bound or affected, or result in the creation or imposition of any lien or encumbrance on any asset of the City (other than pursuant to such enumerated documents). The City is not a party to, or otherwise subject to, any provision contained in any instrument evidencing indebtedness of the City, any agreement relating thereto, or any other contract or agreement (including its charter) that limits the amount of, or otherwise imposes restrictions on, the incurring of obligations of the City that would materially and adversely affect the ability of the City to perform its obligations hereunder or under any other Related Documents to which it is a party.

(c) *Binding Effect.* Assuming due execution by the other parties thereto, this Agreement and the other Related Documents to which the City is a party each constitutes a valid, binding and enforceable agreement of the City, subject to applicable laws affecting creditors' rights generally and general principles of equity regardless of whether such enforceability is considered in a proceeding at law or in equity.

(d) *No Default.* It is not, in any material respect, in breach of or default under its organizational documents, or any applicable law or administrative regulation of the State or of the United States, relating, in each case, to the transactions contemplated hereby or by the other Related Documents, or any applicable judgment, decree, loan agreement, note, resolution, ordinance or other material agreement to which it is a party or is otherwise subject. Late delivery of financial statements or other reporting documentation shall not be deemed material for purposes of this Section.

(e) *Litigation.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no action, suit or proceeding pending with service of process having been accomplished against, or to the knowledge of the City, threatened against or affecting, the City before any court or arbitrator or any governmental body, agency or official seeking to restrain or enjoin the issuance, sale, execution or delivery of the Commercial Paper Notes or in any way contesting or affecting the validity of the Commercial Paper Notes or in which there is a reasonable possibility of an adverse decision which could have a material adverse effect on (i) the ability of the City to perform its obligations hereunder or under the other Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(f) *No Sovereign Immunity.* The City does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations hereunder or under any other Related Document to which it is a party or by which it is bound.

(g) *Incorporation of Representations and Warranties by Reference.* As of the Date of Issuance, the City hereby makes to the Bank the same representations and warranties made by the City as are set forth in the Related Documents (other than this



Agreement) to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents (other than this Agreement) to which it is a party shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the consent of the Bank.

(h) *No Proposed Legal Changes.* To the knowledge of the City Administrative Officer, there is no amendment, or no proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect (i) the execution and delivery of this Agreement or the other Related Documents to which the City is a party, or (ii) the performance by the City of its obligations under this Agreement or the other Related Documents to which the City is a party.

(i) *Offering Memorandum.* The information contained in the Offering Memorandum under the caption “CITY OF LOS ANGELES,” as of the Date of Issuance, and as of the date of each issuance of Commercial Paper Notes under the Trust Agreement, does not contain any untrue statement of any material fact.

(j) *Title to Property; Sublease.* The City has good and marketable fee simple title to all of the Components, subject only to Permitted Encumbrances. The Sublease is in full force and effect. The City, as lessee under the Sublease, is in peaceable possession of the Property. No waiver, indulgence or postponement of any of the City’s obligations under the Sublease has been granted by MICLA. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default under the Sublease.

(k) *Disclosure.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no fact known to the City, as of the date this representation is made, that would have a material adverse effect on (i) the ability of the City to perform its obligations hereunder or under the other Related Documents to which it is a party or (ii) the enforceability or validity of any of the Related Documents.

(l) *Financial Information.* The consolidated statement of financial position of the City as of June 30, 2021, as well as each CAFR of the City as of any more recent date, delivered to the Bank pursuant to this Agreement, fairly present the financial condition of the City as at such date and the results of the operations of the City for the period ended on such date, all in accordance with GAAP consistently applied, and since the date of such financial information, there has been no change in the business, financial condition, results of operations, or prospects of the City which would materially and adversely affect the

ability of the City to perform its obligations hereunder or under any other Related Documents to which it is a party.

(m) *Legal Matters.* The City is in material compliance with all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction over the City, non-compliance with which would materially and adversely affect the ability of the City to perform its obligations hereunder or under any other Related Documents to which it is a party.

(n) *Essentiality.* The Property is an essential asset of the City necessary to serve the needs of the residents of the City. The City believes that at all times while any Rental Payments or any obligation of the City under the Related Documents remains unpaid, the Property will remain an essential asset of the City.

(o) *Fair Rental Value.* The total Rental Payments for the Property do not exceed the fair rental value of the Property. In making such determination of fair rental value, consideration has been given to the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the City and the general public.

*Section 4.2. MICLA Representations and Warranties.* MICLA represents and warrants that, as of the date on which this Agreement is executed:

(a) *Existence.* MICLA is validly existing as a California non-profit public benefit corporation, with full right and power to own its properties and to carry on its affairs as now being conducted and to issue the Commercial Paper Notes, to pledge the security and to execute, deliver and perform its obligations under this Agreement and each other Related Document to which it is a party.

(b) *Authorization; Contravention.* The execution, delivery and performance by MICLA of this Agreement, the Revolving Note and the other Related Documents to which it is a party are within MICLA's powers, have been duly authorized by all necessary action, require no further consent or action by or in respect of, or filing with (except as has previously been made), any governmental body, agency, official or other Person and do not violate or contravene, or constitute a default under, any provision of applicable law, articles of incorporation, bylaws, ordinance or regulation or of any material agreement, judgment, injunction, order, writ, determination, award, decree or material instrument binding upon MICLA or by which MICLA or its properties may be bound or affected, or result in the creation or imposition of any lien or encumbrance on any asset of MICLA (other than pursuant to such enumerated documents). MICLA is not a party to, or otherwise subject to, any provision contained in any instrument evidencing indebtedness of MICLA, any agreement relating thereto, or any other contract or agreement (including its articles of incorporation and bylaws) that limits the amount of, or otherwise imposes restrictions on, the incurring of obligations of MICLA that would materially and adversely affect the ability of MICLA to perform its obligations hereunder or under any other Related Documents to which it is a party.

(c) *Binding Effect.* Assuming due execution by the other parties thereto, this Agreement and the other Related Documents to which MICLA is a party each constitutes a valid, binding and enforceable agreement of MICLA, subject to applicable laws affecting creditors' rights generally and general principles of equity regardless of whether such enforceability is considered in a proceeding at law or in equity.

(d) *No Default.* It is not, in any material respect, in breach of or default under its articles of incorporation or its bylaws or other similar documents, or any applicable law or administrative regulation of the State or of the United States, relating, in each case, to the issuance of debt securities by it, or any applicable judgment, decree, loan agreement, note, resolution, ordinance or other material agreement to which it is a party or is otherwise subject. Late delivery of financial statements or other reporting documentation shall not be deemed material for purposes of this Section.

(e) *Litigation.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no action, suit or proceeding pending with service of process having been accomplished against, or to the knowledge of MICLA, threatened against or affecting, MICLA before any court or arbitrator or any governmental body, agency or official seeking to restrain or enjoin the issuance, sale, execution or delivery of the Commercial Paper Notes or in any way contesting or affecting the validity of the Commercial Paper Notes or in which there is a reasonable possibility of an adverse decision which could have a material adverse effect on (i) the ability of MICLA to perform its obligations hereunder or under the Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(f) *No Sovereign Immunity.* MICLA does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations hereunder or under any other Related Document to which it is a party or by which it is bound.

(g) *Incorporation of Representations and Warranties by Reference.* As of the Date of Issuance, MICLA hereby makes to the Bank the same representations and warranties made by MICLA as are set forth in the Related Documents (other than this Agreement) to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents (other than this Agreement) to which it is a party shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the consent of the Bank.

(h) *No Proposed Legal Changes.* To the knowledge of the Treasurer of MICLA, there is no amendment, or no proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to

materially adversely affect (i) the execution and delivery of this Agreement, the Fee Letter or the other Related Documents to which MICLA is a party, or (ii) the performance by MICLA of its obligations under this Agreement or the other Related Documents to which MICLA is a party.

(i) *Offering Memorandum.* The information contained in the Offering Memorandum under the caption “MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES,” as of the Date of Issuance, and as of the date of each issuance of Commercial Paper Notes under the Trust Agreement, does not contain any untrue statement of any material fact.

(j) *Title to Property.* MICLA has good and marketable leasehold title to all of the Components pursuant to the Site Lease. The Site Lease is in full force and effect. MICLA, as lessee under the Site Lease, is in peaceable possession of the Property. No waiver, indulgence or postponement of any of MICLA’s obligations under the Site Lease has been granted by the City. There exists no event of default or event, occurrence, condition or act that, with the giving of notice, the lapse of time or the happening of any further event or condition, would become a default under the Site Lease.

(k) *Disclosure.* Except as disclosed in writing to the Bank prior to the Date of Issuance, there is no fact known to MICLA that would have a material adverse effect on (i) the ability of MICLA to perform its obligations hereunder or under the other Related Documents to which it is a party or (ii) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(l) *No Maximum Rate of Interest.* The obligations of MICLA under the Revolving Note and all other Reimbursement Obligations hereunder are not subject to any limitation as to maximum interest rate.

(m) *Legal Matters.* MICLA is in material compliance with all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction over MICLA, non-compliance with which would materially and adversely affect the ability of MICLA to perform its obligations hereunder or under any other Related Documents to which it is a party.

(n) *Pledged Property.* The Trust Agreement creates a valid pledge of the Pledged Property as security for the punctual payment and performance of the obligations of MICLA under this Agreement and under the Revolving Note.

## ARTICLE V

### COVENANTS

*Section 5.1. Covenants.* MICLA and the City each agrees that so long as the Letter of Credit remains outstanding or any amount payable hereunder remains unpaid:

(a) *Information.* The City and MICLA will prepare or cause to be prepared and deliver to the Bank the following:

(i) as promptly as available (and in any event within 270 days following the end of each Fiscal Year of the City), the complete Comprehensive Annual Financial Report (“*CAFR*”) of the City, certified as to the fairness of presentation and conformity with GAAP by a recognized firm of independent certified public accountants;

(ii) concurrently with the delivery of each *CAFR* pursuant to Section 5.1(a)(i) above, a certificate from a City Representative certifying that such City Representative has no knowledge of any event which constitutes a Default or an Event of Default that has occurred and is continuing and a certificate from a MICLA Representative certifying that such MICLA Representative has no knowledge of any event which constitutes a Default or an Event of Default that has occurred and is continuing;

(iii) within ninety (90) days of proposal or adoption (as the case may be) of the most recently proposed or adopted annual operating budget of the City (as the case may be) with respect to the City’s General Fund, evidence that such annual operating budget with respect to the City’s General Fund includes therein as a separate line item all Minimum Required Rental Payments and Additional Rental due during such period, if not otherwise paid from capitalized interest funded by proceeds of the Commercial Paper Notes; and

(iv) such other information respecting the affairs, conditions and/or operations, financial or otherwise, of the City or MICLA, as the Bank may from time to time reasonably request.

All factual information hereinafter delivered by MICLA or the City in writing to the Bank will be, to the knowledge of the authorized person delivering such information after reasonable inquiry, accurate and complete in all material respects on the date as of which such information is certified.

(b) *Amendments to Related Documents.* Without the prior written consent of the Bank, which consent shall not be unreasonably withheld or delayed, or except as may be permitted in any Related Document, MICLA and the City will not agree or consent to any amendment, supplement, waiver or modification of any provision of any Related Document to which MICLA or the City is a party.

(c) *Incorporation of Covenants by Reference.* MICLA and the City each agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Related Documents to which it is a party, which provisions, as well as related defined terms contained herein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent that any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of this Agreement, such provision shall be complied with only if it is waived or consented to by the Bank and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank.

(d) *Issuing and Paying Agent.* MICLA and the City will at all times have an Issuing and Paying Agent performing the duties thereof contemplated by the Trust Agreement and the Issuing and Paying Agent Agreement.

(e) *Dealer.* MICLA and the City will at all times have one or more Dealers reasonably acceptable to the Bank performing the duties thereof contemplated by the Trust Agreement and the Dealer Agreements.

(f) *Outstanding Commercial Paper Notes Plus All Interest to Accrue Thereon Not to Exceed Stated Amount; No Issuance after Receipt of Stop Issuance Instruction or Final Drawing Notice.* (i) MICLA will instruct the Issuing and Paying Agent not to authenticate or deliver any Commercial Paper Note if, immediately after the authentication and delivery of, and receipt of payment for, such Commercial Paper Note, the sum of (i) the face value of all discount Commercial Paper Notes and (ii) the principal amount of all outstanding non-discount Commercial Paper Notes plus all interest to accrue on such non-discount Commercial Paper Notes to the maturity date thereof, would exceed the Stated Amount.

(ii) MICLA will not instruct the Issuing and Paying Agent to authenticate or deliver any Commercial Paper Note if the Issuing and Paying Agent has received a Stop Issuance Instruction or Final Drawing Notice, unless and until such Stop Issuance Instruction is rescinded.

(g) *Defaults.* MICLA and the City will promptly (and in any event within ten Business Days after becoming aware thereof) notify the Bank of the occurrence of any Event of Default, specifying the details of such Event of Default and, to the extent a determination has been made, the action that MICLA proposes to take with respect thereto.

(h) *Books, Records.* MICLA and the City will permit, during normal business hours and from time to time, upon reasonable prior notice, the Bank or any of its agents or representatives to examine and make copies of and abstracts from the records and books of account of MICLA and the City, respectively (except records and books of accounts the examination of which by the Bank is prohibited by law), and to discuss the affairs, finances

and accounts of MICLA and the City with any representative or any other appropriate officer of MICLA and the City or MICLA's or the City's independent public accountants.

(i) *Other Obligations.* MICLA and the City will each comply with and observe all other material obligations and requirements set forth in the Trust Agreement and each other Related Document to which it is a party (including without limitation all provisions therein for the benefit of the Bank) and in all laws, statutes and regulations binding upon it, noncompliance with which would materially adversely affect MICLA's or the City's ability to perform its respective obligations under the Commercial Paper Notes, this Agreement, the Fee Letter or any of the other Related Documents.

(j) *Litigation; Material Change.* MICLA and the City shall promptly notify the Bank of (i) the existence and status of any litigation which individually or in the aggregate could, in the event of an unfavorable outcome, or (ii) the occurrence of any other event or change which could have a material adverse effect on (A) the ability of MICLA or the City to perform their respective obligations hereunder or under the other Related Documents or (B) the enforceability or validity of the Trust Agreement or any of the other Related Documents.

(k) *Repayment of Drawings.* On and after the date of any Drawing on the Letter of Credit, MICLA will use its best efforts to cause the Dealer(s) to sell Commercial Paper Notes as soon as practicable and to use the proceeds of the sale of such Commercial Paper Notes to repay such Drawing.

(l) *Obligations under Related Documents.* MICLA and the City shall take all actions as may be reasonably requested by the Bank to enforce the obligations under the Related Documents of each of the other parties thereto.

(m) *Replacement of Certain Entities.* MICLA shall obtain the prior written consent of the Bank to the replacement of the Issuing and Paying Agent or any Dealer, which consent shall not be unreasonably withheld or delayed. MICLA and the City shall provide the Bank with prior written notice of the replacement of any other entity that is a party to a Related Document.

(n) *Limitation on Voluntary Liens.* MICLA and the City shall not create a pledge, lien or charge on any part of the Pledged Property, other than the lien in favor of holders of the Commercial Paper Notes and the Bank. MICLA and the City shall not create a pledge, lien or charge on any part of the Property other than Permitted Encumbrances. The City and MICLA covenant (i) to keep the Components and all parts thereof free from judgments, and materialmen's and mechanics' liens, claims, demands, encumbrances, liabilities and other liens of whatever nature or character, which, in each case, might hamper the City in utilizing the Components; and (ii) promptly, upon request of the Bank, to take such action from time to time as may be reasonably necessary or proper to remedy or cure any cloud upon or defect in the title to the Components or any part thereof, whether now existing or hereafter developing, to prosecute all actions, suits, or other proceedings as may be reasonably appropriate for such purpose.

(o) *City and MICLA to Maintain Existence.* MICLA agrees that it will maintain its existence as a California nonprofit public benefit corporation. The City agrees that it will maintain its existence as a municipal corporation under its charter and the laws of the State.

(p) *Further Assurances.* The City and MICLA will execute, acknowledge where appropriate, and deliver from time to time promptly at the request of the Bank all such instruments and documents as in the opinion of the Bank are reasonably necessary or desirable to carry out the intent and purposes of this Agreement.

(q) *No Impairment.* The City and MICLA will not take any action, or cause or permit the Trustee or the Issuing and Paying Agent to take any action, under the Trust Agreement, the Sublease or any other Related Document inconsistent with the rights and remedies of the Bank under this Agreement.

(r) *Lease Payments.* The City and MICLA will not issue or authorize the issuance of any obligation payable from the Rental Payments (as defined in the Sublease) due under the Sublease other than the Notes.

(s) *References to the Bank.* The City and MICLA will not include in any official statement, offering memorandum, or private placement memorandum any information concerning the Bank (other than identifying the Bank as the issuer of the Letter of Credit and a party to this Agreement, the Stated Amount of the Letter of Credit, the expiration date of the Letter of Credit and that the City's and MICLA's obligations under this Agreement and the Fee Letter are secured by Pledged Property) that is not supplied in writing, or otherwise consented to in writing, by the Bank expressly for inclusion therein, or make any changes in reference to the Bank in any revision of the Offering Memorandum without the Bank's prior written consent thereto, which consent shall not be unreasonably withheld or delayed; *provided* that, without the prior written consent of the Bank, the City and MICLA may identify the Bank as the issuer of the Letter of Credit and a party to this Agreement, the Stated Amount of the Letter of Credit, the expiration date of the Letter of Credit and that the City's and MICLA's obligations under this Agreement and the Fee Letter are secured by Pledged Property, in other disclosure documents of the City or MICLA, so long as no other information relating to this Agreement, the Fee Letter or the Bank is disclosed in such offering documents without the prior written consent of the Bank.

(t) *Title Insurance.* The City and MICLA shall, during the term of the Sublease (including any extension of the initial term thereof), cause each of the Components to be covered by a CLTA leasehold policy (10-21-87) of title insurance insuring the Trustee and naming the Bank as an additional insured as its interests may appear, in an amount not less than the aggregate principal amount of the Funding Commitments (as defined in the Trust Agreement), subject only to such exceptions as shall be acceptable to the Bank, with such endorsements and affirmative coverages as may be reasonably required by the Bank (with timely notice), including endorsements regarding zoning and access to public roads, and otherwise in form and substance satisfactory to the Bank and its counsel and issued by an



insurance company acceptable to the Bank and its counsel and authorized to issue such insurance in the State of California.

(u) *Maintenance of Insurance.* Throughout the term of the Sublease, the City shall maintain or cause to be maintained insurance in the manner and in form and substance as required by Section 4.3 of the Sublease.

(v) *Covenants and Legal Duties.* Subject to Section 3.1(g) of the Sublease, the City agrees to include all Minimum Required Rental Payments and Additional Rental due under the Sublease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all such Minimum Required Rental Payments and Additional Rental, and for all Minimum Supplemental Rental Payments, if any, subject to Section 3.5 of the Sublease. The covenants on the part of the City herein contained and in the Sublease shall be deemed to be and shall be construed to be duties imposed by law, and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance, of the official duty of such officials to enable the City to carry out and perform such covenants and agreements.

(w) *Use of Proceeds.* The proceeds of Drawings made under the Letter of Credit will be expended solely to pay the principal of and interest on maturing Commercial Paper Notes.

(x) *Ratings.* The City shall give written notice to the Bank as soon as practicable of the increase, decrease, withdrawal or suspension of any rating maintained by any Rating Agency in respect of its unenhanced Lease Obligation Debt, unless such rating is terminated due to the payment in full of such Lease Obligation Debt; *provided* that the requirement to provide such notice shall be satisfied if such information is publicly available on the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board.

(y) *Voluntary Rent Abatement.* Except as required by law and the terms of the Sublease, the City shall not seek or assert a claim for abatement of any of the Rental Payments under the Sublease.

## ARTICLE VI

### EVENTS OF DEFAULT

*Section 6.1. Events of Default.* The occurrence of any of the following events shall be an “Event of Default” hereunder:

(a) MICLA or the City shall fail to pay (i) any Reimbursement Obligation or interest thereon as and when due hereunder, subject to the proviso in Section 2.6(c) hereof; (ii) any fee set forth in the Fee Letter as and when due thereunder and the continuance of such failure for a period of three (3) Business Days; or (iii) any other amount payable

hereunder, under the Fee Letter or under the Revolving Note and the continuance of such failure for a period of thirty (30) days after written notice thereof;

(b) MICLA or the City shall default in the performance of any of the covenants set forth in Section 5.1(b), (f), (g), (m), (n), (o), (q), (r), (s), (t), (u) or (v) hereof;

(c) MICLA or the City shall default in the performance of any other material term, covenant or agreement set forth herein and such failure shall continue for a period of 30 days after written notice thereof shall have been given to MICLA or the City, as applicable, by the Bank;

(d) Any representation, warranty, certification or material statement made by MICLA or the City (or incorporated by reference) in this Agreement or by MICLA or the City in any other Related Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any other Related Document shall prove to have been incorrect in any material respect when made;

(e) The City shall (A) fail to make any payment on any Material City Debt (other than the Commercial Paper Notes) or any interest or premium thereon when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material City Debt; or (B) fail to perform or observe any material term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any Material City Debt when required to be performed or observed, and such failure shall not be waived and shall continue after the later of (1) five Business Days after notice of such failure or (2) the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate the maturity of such Material City Debt; or (C) any Material City Debt shall be declared to be due and payable or be required to be prepaid (other than by a regularly scheduled required prepayment or an optional prepayment) prior to the stated maturity thereof; *provided, however*, that in the case of clause (A) or (B) any such failure shall not be considered an Event of Default hereunder if the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the acceleration of the maturity of such Material City Debt;

(f) MICLA or the City shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of its or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall declare a moratorium, or shall take any action to authorize any of the foregoing;

(g) A case or other proceeding shall be commenced against MICLA or the City seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case shall remain undismissed and unstayed for a period of sixty (60) days; or an order for relief shall be entered against MICLA or the City under the federal bankruptcy laws as now or hereafter in effect, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of MICLA or the City, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be stayed, released, appealed, vacated or fully bonded, within the time permitted by law after commencement, filing or levy, as the case may be;

(h) Any material provision of this Agreement, the Fee Letter or any other Related Document shall cease for any reason whatsoever to be a valid and binding agreement of MICLA or the City, or MICLA or the City shall contest the validity or enforceability thereof;

(i) Any pledge created hereunder or under the Trust Agreement to secure any amounts due under this Agreement shall fail to be valid or fully enforceable; or

(j) An event of default shall occur under any of the Related Documents (other than this Agreement) or the City shall fail to make any payment under the Sublease when and as due.

*Section 6.2. Upon an Event of Default.* If any Event of Default shall have occurred and be continuing, the Bank may, by notice to MICLA and the Issuing and Paying Agent, (i) give notice of such Event of Default to the Issuing and Paying Agent (which notice shall constitute a “Tier One Stop Issuance Instruction”) the effect of which shall be to prohibit, until such time, if any, as the Bank shall withdraw (in writing) such Tier One Stop Issuance Instruction, the issuance of additional Commercial Paper Notes, reduce the Stated Amount of the Letter of Credit to the principal amount of the then Outstanding Commercial Paper Notes supported by the Letter of Credit and interest payable thereon at maturity of such Commercial Paper Notes and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Commercial Paper Notes are paid, (ii) issue the Tier One Final Drawing Notice (the effect of which shall be to cause the Letter of Credit Termination Date of the Letter of Credit to occur on the fifteenth (15th) day after the date of receipt thereof by the Issuing and Paying Agent and to instruct the Issuing and Paying Agent to make the Final Drawing under the Letter of Credit to provide for the payment of Commercial Paper Notes which are then outstanding and are maturing or are thereafter to mature), (iii) declare the Revolving Note, in whole or in part, all or some Advances and Term Loans, as well as any other Reimbursement Obligation, and all interest thereon to be a Default Advance hereunder due and payable in the manner set forth in and subject to Section 2.6 hereof, or (iv) take any other action permitted by equity or law. Notwithstanding anything to the contrary contained in the preceding sentence, upon the occurrence or existence of an Event of Default of the type described in Section 6.1(f) or (g) hereof, the remedies described in clause (iii) above shall occur

immediately and automatically without notice or further action on the part of the Bank or any other person and the remedies described in clauses (i) and (ii) above shall occur by the giving of notice only to the Issuing and Paying Agent. Anything in Article II hereof the contrary notwithstanding, from and after the occurrence an Event of Default, all Reimbursement Obligations shall bear interest at the Default Rate. Upon any action by the Bank as contemplated in the foregoing clauses (i) and (ii), the Stated Amount shall be permanently reduced upon, and by the amount of, each drawing under the Letter of Credit following the occurrence of an Event of Default. Notwithstanding the foregoing, the occurrence of an Event of Default shall not affect the Bank's obligations under the Letter of Credit with respect to Commercial Paper Notes that are outstanding at the time of the occurrence of such Event of Default, and the Issuing and Paying Agent shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on maturing Commercial Paper Notes that are outstanding at the time of the occurrence of such Event of Default. Nothing contained in this Section 6.2 shall result in, or be construed to require, an acceleration of the payment of Base Rental pursuant to the Sublease. Nothing contained in this Section 6.2 shall abrogate the obligation of the Bank to honor properly presented and conforming drawings under the Letter of Credit prior to the termination of the Letter of Credit in accordance with its terms.

## ARTICLE VII

### CITY PROVISIONS

#### *Section 7.1. Nondiscrimination and Affirmative Action Program.*

(a) *Non-Discrimination In Employment.* To the extent the Bank is subject to and required by the hereinafter defined Los Angeles Administrative Code (the "*LA Admin Code*"), during the term of this Agreement, the Bank agrees and obligates itself in the performance of this Agreement not to discriminate in its employment practices against any employee or applicant for employment because of the employee's or applicant's race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. To the extent the Bank is subject to and required by the LA Admin Code, the Bank shall take affirmative action to ensure that applicants for employment are treated, during the term of this Agreement, without regard to the aforementioned factors and shall comply with the non-discrimination and affirmative action requirements of the LA Admin Code, Sections 10.8, et seq.

(b) *Equal Employment Practices.* To the extent required by the hereinafter defined Equal Employment Practices, if the total payments made under this Agreement are One Thousand Dollars (\$1,000) or more, this provision shall apply. To the extent the Bank is subject to and required by the Equal Employment Practices, during the performance of this Agreement, the Bank agrees to comply with Section 10.8.3 of the LA Admin Code ("*Equal Employment Practices*"), which is incorporated herein by this reference to the extent required by the Equal Employment Practices. A copy of Section 10.8.3 of the LA Admin Code in effect on the Date of Issuance has been attached to this Agreement for the convenience of the parties as Exhibit H hereto. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the LA Admin Code, the failure of the Bank to comply with the Equal Employment Practices provisions of this

Agreement could be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except pursuant to the Equal Employment Practices and upon a full and fair hearing after notice and an opportunity to be heard have been given to the Bank. Upon a finding duly made that the Bank has failed to comply with the Equal Employment Practices provisions of this Agreement, this Agreement could be forthwith terminated, cancelled, or suspended to the extent required by the Equal Employment Practices. Any such termination of this Agreement pursuant to the Equal Employment Practices shall be subject to the termination provisions set forth in Section 2.13 of this Agreement.

(c) *Affirmative Action Program.* To the extent required by the hereinafter defined Affirmative Action Program, if the total payments made under this Agreement are Twenty-Five Thousand Dollars (\$25,000) or more, this provision shall apply. To the extent the Bank is subject to and required by the Affirmative Action Program, during the performance of this Agreement, the Bank agrees to comply with Section 10.8.4 of the LA Admin Code ("*Affirmative Action Program*"), which is incorporated herein by this reference to the extent required by the Affirmative Action Program. A copy of Section 10.8.4 of the LA Admin Code in effect on the Date of Issuance has been attached to this Agreement for the convenience of the parties as Exhibit I hereto. By way of specification but not limitation, pursuant to Sections 10.8.4.E and 10.8.4.F of the LA Admin Code, the failure of the Bank to comply with the Affirmative Action Program provisions of this Agreement could be deemed to be a material breach of this Agreement. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to the Bank. Upon a finding duly made that the Bank has failed to comply with the Affirmative Action Program provisions of this Agreement, this Agreement could be forthwith terminated, cancelled, or suspended to the extent required by the Affirmative Action Program provisions. Any such termination of this Agreement pursuant to the Affirmative Action Program shall be subject to the termination provisions set forth in Section 2.13 of this Agreement.

*Section 7.2. Child Support Orders.* To the extent required by the hereinafter defined Child Support Provisions, this Agreement is subject to Section 10.10, Article I, Chapter 1, Division 10 of the LA Admin Code related to Child Support Assignment Orders ("*Child Support Provisions*"), which is incorporated herein by this reference to the extent required by the Child Support Provisions. A copy of the Child Support Provisions in effect on the Date of Issuance has been attached to this Agreement for the convenience of the parties as Exhibit J hereto. To the extent the Bank is subject to and required by the Child Support Provisions, pursuant to this section, the Bank (and any subcontractor of the Bank providing services to the City under this Agreement) shall (1) fully comply with all State and Federal employment reporting requirements for the Bank's or the Bank's subcontractor's employees applicable to Child Support Assignment Orders; (2) certify that the principal owner(s) of the Bank and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of this Agreement. To the extent the Bank is subject to and required by Section 10.10(b) of the LA Admin Code, failure of the Bank or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of the Bank or applicable subcontractors to comply with any Wage and

Earnings Assignment Orders and Notices of Assignment applicable to them personally, shall (only to the extent required by the Child Support Provisions) constitute a default of this Agreement subjecting (only to the extent required by the Child Support Provisions) this Agreement to termination where such failure shall continue for more than ninety (90) days after notice of such failure to the Bank or such applicable subcontractor by the City (in lieu of any time for cure provided elsewhere in this Agreement). Any such termination of this Agreement pursuant to the Child Support Provisions shall be subject to the termination provisions set forth in Section 2.13 of this Agreement.

*Section 7.3. Compliance with Los Angeles City Charter Section 470(c)(12).* The Bank, the Participants, the Subcontractors and their Principals are obligated to fully comply with Charter Section 470(c)(12), Ordinance No. 181972 and other applicable ordinances related to Charter Section 470(c)(12) regarding limitations on campaign contributions and fundraising for certain elected City officials, the City Attorney and the Controller of the City, candidates for these offices, and the City committees they control (collectively, the “*Measure H Ordinance*”) for such period as is required by the Measure H Ordinance, to the extent such provisions are applicable to this Agreement. Additionally, the Bank is required, for as long as required by the Measure H Ordinance, to provide and update certain information required by the Measure H Ordinance to the City within the timeframe required by the Measure H Ordinance; in turn, the City will electronically submit the information to the City Ethics Commission as required by the Measure H Ordinance. The Bank shall include the following notice (each a “*Participant/Subcontractor Notice*”) in any contract with a Participant or a Subcontractor expected to receive at least \$100,000 (each a “*Measure H Subcontract*”) in connection with its participation in this Agreement:

Notice Regarding Restrictions on Campaign Contribution and Fundraising in City Elections.

You are considered a subcontractor in connection with the Letter of Credit Reimbursement Agreement dated as of June 1, 2022 (the “*Reimbursement Agreement*”), by and among Municipal Improvement Corporation of Los Angeles, the City of Los Angeles (the “*City*”) and U.S. Bank National Association, as Bank. Pursuant to the Los Angeles City Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City officials and candidates for elected City office for twelve months after the Reimbursement Agreement is signed. You are required to provide the names and contact information of your principals to the Bank and to amend that information within ten business days if it changes during the course of the twelve month time period. Failure to comply may result in termination of the Reimbursement Agreement or any other available legal remedies. Information about the restrictions may be found online at <https://ethics.lacity.org> or by calling the Los Angeles City Ethics Commission at (213) 978-1960.

The Bank, the Participants, the Subcontractors and their Principals shall comply with these requirements and limitations. Any failure of the Bank to include a Participant/Subcontractor Notice in an applicable Measure H Subcontract pursuant to the foregoing provision and any violation of Section 470(c)(12) of the Charter or the Measure H Ordinance by the Bank or a Principal of the Bank shall entitle the City to terminate this Agreement in accordance with the terms of the Measure H Ordinance and pursue any and all applicable legal remedies that may be available to the City. Any such termination of this Agreement pursuant to the Measure H Ordinance shall be subject to the termination provisions set forth in Section 2.13 of this Agreement. Any violation of Section 470(c)(12) of the Charter or the Measure H Ordinance by a Participant or Subcontractor or their respective Principals may subject the Participant or Subcontractor or such respective Principal to penalties under Section 470(c)(12) of the Charter or the Measure H Ordinance. The Bank may obtain additional information about the Measure H Ordinance at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling (213) 978-1960.

The Bank represents and warrants that the individuals identified on Bidder Contributions CEC Form 55 submitted in connection with this Agreement on the Date of Issuance, other than those described clauses (i), (ii), (iii) or (v) of the definition of "Principal" herein, are the individual employees authorized to represent the Bank before the City in connection with this Agreement.

*Section 7.4. Use of Criminal History For Consideration of Employment Applications.* To the extent required by the hereinafter defined Use of Criminal History Provisions, this Agreement is subject to Section 10.48 et. seq. of the LA Admin Code related to the Use of Criminal History for Consideration of Employment Applications ("*Use of Criminal History Provisions*"), which is incorporated herein by this reference to the extent required by the Use of Criminal History Provisions. A copy of Section 10.48 of the LA Admin Code in effect on the Date of Issuance has been attached to this Agreement for the convenience of the parties as Exhibit K hereto. By way of specification but not limitation, pursuant to Sections 10.48.8.B of the LA Admin Code, the failure of the Bank to comply with the Use of Criminal History Provisions could be deemed to be a material breach of this Agreement and entitle the City to terminate the Agreement to the extent required by the Use of Criminal History Provisions. Any such termination of this Agreement pursuant to the Use of Criminal History Provisions shall be subject to the termination provisions set forth in Section 2.13 of this Agreement.

*Section 7.5. Adoption or Enactment of Changes, Additions, Amendments or Modifications Not Applicable to Bank After Delivery of Tier Two Termination Notice.* During the term of this Agreement, the City shall use its commercially reasonable efforts to provide the Bank with notice of any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, Affirmative Action Program, Child Support Provisions, the Measure H Ordinance and the Use of Criminal History Provisions, within seven (7) Business Days after the adoption or enactment thereof; provided that the Bank acknowledges that the City's failure to provide such information shall not constitute an Event of Default.

Any changes, additions, amendments or modifications to the Equal Employment Practices, Affirmative Action Program, Child Support Provisions, the Use of Criminal History Provisions or Measure H Ordinance, as applicable, made on or after the date of receipt by the City of a Tier Two

Termination Notice shall not apply to the Bank unless such Tier Two Termination Notice is rescinded.

To the best of the Bank's knowledge, based on reasonable inquiry, as of the Date of Issuance the Bank is in compliance with the Equal Employment Practices, Affirmative Action Program, the Child Support Provisions, the Use of Criminal History Provisions and Measure H Ordinance as of the Date of Issuance.

*Section 7.6. Contracting Forms.* The forms required for contracting with the City previously submitted to the City by the Bank in connection with this Agreement are hereby affirmed and are hereby incorporated by reference with the same effect as if each and every such form was set forth herein in its entirety.

*Section 7.7. COVID-19.* Employees of Bank and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, "*Contractor Personnel*"), while performing services under this Agreement and prior to interacting in person with City employees, contractors, volunteers, or members of the public (collectively, "*In-Person Services*") must be fully vaccinated against the novel coronavirus 2019 ("*COVID-19*"). "Fully vaccinated" means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Bank shall obtain proof that such Contractor Personnel have been fully vaccinated. Bank shall grant medical or religious exemptions ("*Exemptions*") to Contractor Personnel as required by law. If Bank wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, Bank shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by Bank. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments. Furthermore, Bank shall immediately notify City if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

## ARTICLE VIII

### MISCELLANEOUS

*Section 8.1. Amendments and Waivers.* No amendment, change, discharge or waiver of any provision of this Agreement, nor consent to any departure by MICLA or the City therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on MICLA or the City in any case shall entitle MICLA or the City, as the case may be, to any other or further notice or demand in the same, similar or other circumstances.



*Section 8.2. Notices.* All notices and other communications provided for hereunder shall be in writing (including facsimiles) and mailed or faxed or delivered:

If to MICLA: Municipal Improvement Corporation of Los Angeles  
c/o City of Los Angeles  
Office of the City Administrative Officer  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: MICLA Coordinator

if to the City: City of Los Angeles  
Office of the City Administrative Officer  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: Debt Management Group

if to the Bank: U.S. Bank National Association  
633 W. 5th Street, 25th Floor  
Los Angeles, California 90071  
Attention: Ashley Martin  
Telephone: (310) 717-5900  
Facsimile: (213) 615-6248  
Email: [ashley.martinl@usbank.com](mailto:ashley.martinl@usbank.com)

if to the Issuing  
and Paying Agent: U.S. Bank Trust Company, National Association  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust  
Telephone: (212) 361-6151  
Facsimile: (213) 361-6153

if to the Trustee: U.S. Bank Trust Company, National Association  
633 West 5th Street, 24th Floor  
Los Angeles, CA 90071  
Attention: Global Corporate Trust Services  
Telephone: (213) 615-6032  
Facsimile: (213) 615-6199

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed or faxed, be effective when deposited in the mails or faxed, respectively, addressed as aforesaid, except that notice to the Bank pursuant to the provisions of Article II shall not be effective until received by the Bank.

*Section 8.3. No Waiver; Remedies.* No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. No notice to or demand on MICLA or the City in any case shall entitle MICLA or the City to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

*Section 8.4. Indemnification.* (a) MICLA, to the extent permitted by law, hereby indemnifies and holds the Bank and its directors, officers, employees and agents (the “*Indemnified Parties*”) harmless from and against any and all claims, direct, as opposed to consequential, special, punitive, exemplary or indirect, damages (the right to receive consequential, special, punitive, exemplary or indirect damages being hereby waived), losses, liabilities, costs or expenses which such Indemnified Parties may incur or which may be claimed against such Indemnified Parties by any person by reason of or in connection with (i) the offering, sale, remarketing or resale of the Commercial Paper Notes (including, without limitation, by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Related Documents or in any supplement or amendment to the Offering Memorandum or any similar disclosure document (other than in connection with a description of the Bank), or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances in which they are or were made, not misleading (other than in connection with a description of the Bank)); (ii) the validity, sufficiency, enforceability or genuineness of any Related Document; (iii) the issuance of the Letter of Credit or the use of any proceeds of the Letter of Credit; (iv) the execution and delivery of this Agreement; or (v) any Property; *provided, however,* that MICLA, or the City on behalf of MICLA, shall not be required to indemnify an Indemnified Party pursuant to this Section 8.4(a), and the Bank shall be liable, for any claims, damages, losses, liabilities, costs or expenses to the extent caused by the willful misconduct or gross negligence of the Bank.

(b) To the extent not prohibited by applicable law, MICLA agrees to indemnify and hold the Bank harmless (on a net after-tax basis) from any present or future claim or liability for stamp, transfer, documentary, excise or other similar tax and any penalties or interest with respect thereto, which may be assessed, levied or collected by any jurisdiction in California or any state, county or city where the Bank is headquartered, in connection with the execution, delivery and performance of, or any payment made under, this Agreement, the Commercial Paper Notes and the other Related Documents, or any amendment thereto.

*Section 8.5. Liability of the Bank.* MICLA and the City shall have claims against the Bank, and the Bank shall be liable to MICLA and the City to the extent of any direct, as opposed to consequential, special, punitive, exemplary or indirect, damages (the right to receive consequential, special, punitive, exemplary or indirect damages being hereby waived) suffered by MICLA or the City caused by the Bank’s willful misconduct or gross negligence in respect of the Letter of Credit, the Fee Letter or this Agreement. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without

responsibility for further investigation, regardless of any notice or information (other than actual knowledge to the contrary) to the contrary.

*Section 8.6. Expenses; Documentary Taxes.* MICLA hereby agrees to pay or cause to be paid, from Additional Rental paid by the City under the Sublease, (a) subject to the provisions of the Fee Letter, the reasonable fees and expenses of Chapman and Cutler LLP, special counsel for the Bank, in connection with the preparation of this Agreement, the Fee Letter and the Letter of Credit, as set forth in the Fee Letter, (b) all reasonable expenses incurred by the Bank in connection with this Agreement, the Fee Letter and the Letter of Credit, (c) all reasonable out-of-pocket expenses of the Bank, including reasonable fees and disbursements of counsel, in connection with any waiver or consent hereunder or any amendment hereof or any Default or Event of Default or alleged Default or Event of Default hereunder, and (d) all reasonable out-of-pocket expenses incurred by the Bank, including reasonable fees and disbursements of counsel, in connection with any Event of Default or any investigation or enforcement proceedings with respect to this Agreement or any Related Document. MICLA shall reimburse the Bank for any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution a delivery of this Agreement or any Related Document or the acquisition or disposition by the Bank of the Revolving Note pursuant to this Agreement.

*Section 8.7. Binding Effect.* (a) This Agreement shall become effective when it shall have been executed by MICLA, the City and the Bank and thereafter shall be binding upon and inure to the benefit of MICLA, the City and the Bank and their respective successors and assigns, except that MICLA and the City shall not have the right to assign its rights or obligations hereunder or any interest herein without the prior written consent of the Bank.

(b) The Bank shall have the right at any time to sell, assign, grant or transfer participations in all or part of the Letter of Credit and the obligations of MICLA and the City hereunder and under the other Related Documents to any Participant Bank without the consent of MICLA or the City, *provided* that no such action by the Bank shall relieve the Bank of its obligations under the Letter of Credit or violate any City ordinance. The Bank may disclose to any Participant Bank or prospective Participant Bank any information or other data or material in the Bank's possession relating to this Agreement, any other Related Document, MICLA, the City and the Property, without the consent of MICLA or the City, *provided* that if required by MICLA or the City, the Participant Bank or prospective Participant Bank shall certify to MICLA and/or the City, as the case may be, that the information provided by the Bank is being used solely to assist the Participant Bank or prospective Participant Bank in evaluating its position as a Participant Bank in the Letter of Credit. No Participant Bank shall be entitled to receive any greater payment under Section 2.8 hereof than the Bank would have been entitled to receive with respect to the rights and obligations hereunder transferred. Notwithstanding any participation granted by the Bank pursuant hereto, MICLA and the City shall continue to deal solely and exclusively with the Bank in connection with the respective rights and obligations of MICLA, the City and the Bank hereunder and under the other Related Documents, the grant of such participation interest shall not limit the obligations of the Bank hereunder and the Bank will continue to serve as the only contact for MICLA and the City for all matters relating to this Agreement.

*Section 8.8. Severability.* Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

*Section 8.9. Approvals.* The Bank hereby approves with respect to the Commercial Paper Notes, U.S. Bank Trust Company, National Association, as successor Trustee, and U.S. Bank Trust Company, National Association, as successor Issuing and Paying Agent, and J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, as Dealers.

*Section 8.10. Governing Law and Jurisdiction.* (a) This Agreement shall be governed by, and construed in accordance with, the internal laws of the State.

(b) Each of the parties hereto hereby submits to the exclusive jurisdiction of any federal or state court of competent jurisdiction in the State for the purpose of any suit, action or other proceeding arising out of or relating to this Agreement; service of process may be accomplished by registered mail, return receipt requested to each of the parties at the address listed for notice in Section 8.2 hereof.

*Section 8.11. Headings.* Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

*Section 8.12. Counterparts.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

*Section 8.13. Integration.* This Agreement, the Fee Letter, the Letter of Credit and the Revolving Note are intended to be the final agreement between the parties hereto relating to the subject matter hereof and thereof and this Agreement, the Fee Letter, the Letter of Credit, the Revolving Note and any agreement, document or instrument attached hereto or thereto or referred to herein or therein shall supersede all oral negotiations and prior writings with respect to the subject matter hereof and thereof.

*Section 8.14. Patriot Act.* MICLA agrees to provide documentary and other evidence of MICLA's identity as may be requested by the Bank at any time to enable the Bank to verify MICLA's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

*Section 8.15. Assignment of Obligations.* The Bank may assign and pledge as collateral, without the consent of MICLA, all or any portion of the Revolving Note (or any payment obligations of MICLA hereunder) to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, *provided* that any payment in respect of such assigned rights made by MICLA to the Bank in accordance with the

terms of this Agreement and/or the Revolving Note shall satisfy MICLA's obligations hereunder and/or under the Revolving Note, as the case may be, to the extent of such payment. No such collateral assignment shall release the Bank from its obligations hereunder or under the Letter of Credit.

*Section 8.16. Regulatory Matters.* (a) Each of MICLA and the City represents, warrants, covenants and agrees that it is not, and shall not be, listed on the Specially Designated National and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control, the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to MICLA or the City or from otherwise conducting business with MICLA or the City.

(b) The transactions described in this Agreement, the Bank Note, the Fee Letter and the Letter of Credit are arm's-length, commercial transactions among the City, MICLA and the Bank in which: (i) the Bank is acting solely as a principal (*i.e.*, as a lender) and for its own interest; (ii) the Bank is not acting as a municipal advisor or financial advisor to, or providing advice to, the City or MICLA; (iii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, and the related final rules (the "*Municipal Advisor Rules*"), to the City or MICLA with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its affiliates has provided other services or is currently providing other services to the City or MICLA on other matters); (iv) the Bank is relying on the bank exemption in the Municipal Advisor Rules; (v) the only obligations the Bank has to the City and MICLA with respect to this transaction are set forth in this Agreement, the Bank Note, the Fee Letter and the Letter of Credit; and (vi) the Bank is not recommending that the City or MICLA take an action with respect to the transactions described in this Agreement, the Bank Note, the Fee Letter and the Letter of Credit, and before taking any action with respect to these transactions, the City and MICLA should discuss the information contained herein with their own respective legal, accounting, tax, financial and other advisors, as the City or MICLA deems appropriate.

*Section 8.17. Electronic Signatures.* The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document

transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

*Section 8.18. Redaction.* Each of MICLA and the City agree that it shall not post this Agreement or any amendment hereto on EMMA or any other website until the Bank or its counsel has provided redacted versions of this Agreement or such amendment, as applicable; provided, however, that this covenant shall not apply to the posting or filing of this Agreement or any amendment hereto as part of MICLA's or the City's proceedings approving the execution and delivery of this Agreement or any amendment hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Letter of Credit and Reimbursement Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

MUNICIPAL IMPROVEMENT CORPORATION OF  
LOS ANGELES

By: \_\_\_\_\_  
Name: Ha To  
Title: Assistant Secretary and Assistant  
Treasurer

CITY OF LOS ANGELES

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

APPROVED AS TO FORM:

MICHAEL N. FEUER, CITY ATTORNEY

By: \_\_\_\_\_  
Name: Gerald Kim  
Title: Deputy City Attorney

U.S. BANK NATIONAL ASSOCIATION, as the  
Bank

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



**EXHIBIT A**

**[FORM OF LETTER OF CREDIT]**

U.S. BANK NATIONAL ASSOCIATION

IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]

June 8, 2022  
U.S. \$105,000,000  
No. [\_\_\_\_\_]

U.S. Bank Trust Company, National Association  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

Ladies and Gentlemen:

We hereby establish, at the request and for the account of the Municipal Improvement Corporation of Los Angeles (“MICLA”), and City of Los Angeles (the “City”), in your favor, as successor issuing and paying agent (the “*Issuing and Paying Agent*”) with respect to MICLA’s Commercial Paper Notes issued pursuant to the Amended and Restated Trust Agreement dated as of June 1, 2019 (as the same may at any time be amended or modified, the “*Trust Agreement*”), by and among MICLA, the City and U.S. Bank Trust Company, National Association, as successor trustee (the “*Trustee*”), pursuant to which up to \$100,000,000 in aggregate principal amount of MICLA’s Lease Revenue Commercial Paper Notes in the form of Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Tax-Exempt Series A-1 (the “*Series A Notes*”) and Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Taxable Series B-1 (the “*Series B Notes*” and together with the Series A Notes, collectively referred to herein as the “*Commercial Paper Notes*”), are being issued, our Irrevocable Letter of Credit No. [\_\_\_\_\_] in the maximum available amount of ONE HUNDRED FIVE MILLION DOLLARS (\$105,000,000) as reduced, reinstated and decreased from time to time (the “*Stated Amount*”), which may be drawn upon from time to time in respect of the principal of and actual interest accrued on the Eligible Notes (as hereinafter defined), effective on the date hereof and expiring at 5:00 P.M., New York time at our office in Portland, Oregon set forth below on June 30, 2025, except as extended pursuant to a notice from us to you in the form attached hereto as Annex F (the “*Stated Expiration Date*”) or terminated earlier as hereafter provided; *provided, however*, that if such date is not a Business Day, the Stated Expiration Date shall be the next preceding Business Day (as hereinafter defined). The Stated Amount is subject to reductions and reinstatements as provided herein. All drawings under this Letter of Credit will be paid with our own immediately available funds and will not be paid directly or indirectly from funds of any other person. This Letter of Credit is being issued pursuant to that certain Letter of Credit and Reimbursement Agreement dated as of June 1, 2022 (as the same may at any time be amended or modified and in effect, the “*Reimbursement Agreement*”), among MICLA, the City and U.S. Bank National Association (the “*Bank*”). “*Eligible Notes*” means Commercial Paper

Notes which are not registered in the name of the City or MICLA or, to the best knowledge of the Issuing and Paying Agent, any nominee for or any Person who owns such Commercial Paper Notes for the benefit of the City or MICLA. Capitalized terms used but not defined herein shall have the same meaning herein as in the Reimbursement Agreement.

We hereby irrevocably authorize you to draw on us in an aggregate amount not to exceed the Stated Amount of this Letter of Credit set forth above and in accordance with the terms and conditions and subject to the reductions and reinstatements in amount as hereinafter set forth, in one or more Drawings (as hereinafter defined) (subject to the provisions contained in the second following paragraph) payable as set forth herein on a Business Day, by presentation of a drawing certificate in the form of Annex A or Annex G attached hereto (each, a "*Drawing*"), in an aggregate amount not exceeding the Stated Amount of this Letter of Credit.

"*Business Day*" means any day other than (i) a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in the State of California or in the State of New York for commercial banking purposes; (ii) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks are authorized or required by law or executive order to be closed in the cities and states in which demands for payment may be presented under this Letter of Credit.

Upon our honoring any Drawing, the Stated Amount and the amount available to be drawn hereunder by you pursuant to any subsequent Drawing shall be automatically reduced by an amount equal to the amount of such Drawing. Drawings shall be made on or prior to the date any sum is due on the Commercial Paper Notes; *provided* that the Bank is not obligated to honor such Drawings until the respective stated maturity dates of such Commercial Paper Notes. In connection therewith, the Stated Amount and the amounts from time to time available to be drawn by you hereunder by any Drawing (except in the case of the Final Drawing in the form of Annex G hereto) shall be reinstated when and to the extent, but only when and to the extent (i) you transfer to us on the date such Drawing is honored the proceeds of new Commercial Paper Notes issued on such date or other funds furnished by or on behalf of MICLA to us for such purpose, in either case in an aggregate amount equal to the amount of such Drawing, or upon written notice from us (in the form of Annex H hereto) to you that we have been reimbursed by or on behalf of MICLA for any amount drawn hereunder pursuant to any Drawing and (ii) you have not received from us a Stop Issuance Instruction (as defined in the Reimbursement Agreement) which has not been rescinded. If at any time you shall have received notice from the Bank in substantially the form of Exhibit E-1, E-2, F or G to the Reimbursement Agreement: (i) you are required to acknowledge and accept such Exhibits in accordance with such Exhibits and return the same to the Bank, (ii) the Stated Amount shall be permanently reduced to the principal amount of Commercial Paper Notes outstanding at the time of your receipt of such Exhibits plus interest to accrue thereon to maturity (as you shall certify to us upon your receipt of such Exhibits), and (iii) the Stated Amount shall be further permanently reduced upon the Bank honoring the related Drawing(s) upon the maturity of such Commercial Paper Notes (or with respect to the Final Drawing Notice, upon the Bank honoring the Final Drawing in the form of Annex G hereto), and the Stated Amount shall no longer be reinstated following any Drawings.

The Stated Amount of this Letter of Credit shall also be automatically decreased from time to time to the amount set forth in, a notice from you to us in the form attached hereto as Annex E (each, a "*Decrease Notice*"). Upon such decrease, the new Stated Amount shall not be less than your certification in the applicable Decrease Notice that such amount is not less than the sum of the outstanding principal amount of non-discount Commercial Paper Notes plus interest to accrue thereon to the maturity date thereof and the face amount of all outstanding discount Commercial Paper Notes.

Each Drawing shall be dated the date of its presentation, and shall be presented to U.S. Bank National Association, 555 S W Oak Street, Suite 400-P, Portland, Oregon 97204 as aforesaid, by facsimile (at facsimile number (503) 464-4125, Attention: Letter of Credit Department Manager) or at any other number or numbers which may be designated by the Bank by written notice delivered to you, without further need of documentation, including the original of this Letter of Credit, it being understood that each Drawing so submitted is to be the sole operative instrument of drawing. Each Drawing so presented shall have all blanks appropriately filled in and shall be signed by a person who purports to be an authorized officer of the Issuing and Paying Agent and each of the aforesaid certificates shall be either in the form of a letter on the letterhead of the Issuing and Paying Agent or a communication by facsimile delivered or transmitted to the Bank. If we receive any Drawing at such office, in strict conformity with the terms and conditions of this Letter of Credit, not later than 11:00 a.m., New York time on a Business Day prior to the termination hereof, we will honor the same by 2:00 p.m., New York time on the same day in accordance with your payment instructions. If we receive any Drawings at such office, all in strict conformity with the terms and conditions of this Letter of Credit, after 11:00 a.m., New York time on a Business Day prior to the termination hereof, we will honor the same by 2:00 p.m., New York time on the next succeeding Business Day in accordance with your payment instructions.

Upon the payment to you or to your account of the amount demanded hereunder, the Bank shall be fully discharged of its obligation under this Letter of Credit with respect to such demand for payment and shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such demand for payment to you or any other person who may have made to you or makes to you a demand for payment of principal of or interest on any Commercial Paper Note. By paying to you an amount demanded in accordance herewith, the Bank makes no representation as to the correctness of the amount demanded.

Payment under this Letter of Credit shall be made by the Bank by wire transfer of immediately available funds to U.S. Bank Trust Company, National Association, ABA No. \_\_\_\_\_, Account No. \_\_\_\_\_, Account Name: \_\_\_\_\_ Attention: \_\_\_\_\_, Ref: \_\_\_\_\_. Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Issuing and Paying Agent and executed by the Issuing and Paying Agent and as confirmed by the Bank to the Bank's satisfaction.

This Letter of Credit shall expire at 5:00 p.m., New York time, on the date (the earliest of such date to occur referred to herein as the "*Termination Date*") which is the earliest of (i) the Stated Expiration Date, (ii) the later of the date on which we receive written notice from you in

the form of Annex C attached hereto that an Alternate Credit Facility has been substituted for this Letter of Credit in accordance with the Trust Agreement or the effective date of any such Alternate Credit Facility (after we honor any properly presented and conforming Drawing, if any, on such date), (iii) the date on which we receive written notice from you in the form of Annex D attached hereto that there are no longer any Commercial Paper Notes Outstanding within the meaning of the Trust Agreement and that you elect to terminate this Letter of Credit, (iv) the earlier of (a) the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date on which you receive notice from us in the form of Exhibit E-2 to the Reimbursement Agreement (the "*Tier One Final Drawing Notice*"), and (b) the date on which the Drawing (in the form of Annex G hereto) resulting from the delivery of the Tier One Final Drawing Notice is honored hereunder; or (v) the earlier of (a) the 120th day after the date on which you receive a Tier Two Termination Notice from us in the form of Exhibit F to the Reimbursement Agreement (the "*Tier Two Termination Date*") (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a Tier Two Termination Notice that has not been rescinded and has not been superseded by a subsequent New Tier Two Termination Notice in the form of Exhibit G to the Reimbursement Agreement relating to a New Tier Two Termination Date (after we honor any properly presented and conforming Drawing, if any, on such date) and (b) the date specified in a New Tier Two Termination Notice which you receive from us in the form of Exhibit G to the Reimbursement Agreement (the "*New Tier Two Termination Date*") (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a New Tier Two Termination Notice that has not been rescinded (after we honor any properly presented and conforming Drawing, if any, on such date). All Drawings hereunder shall be paid from immediately available funds of the Bank.

This Letter of Credit is transferable to any transferee whom you have certified to us has succeeded you as Issuing and Paying Agent under the Trust Agreement, and may be successively transferred in its entirety. Only you or your successor as Issuing and Paying Agent may make Drawings under this Letter of Credit. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a Transfer Request in the form of Annex B attached hereto signed by the transferor and the transferee (each a "*Transfer*") together with the original Letter of Credit (including any amendments thereto). Upon our receipt of your request, accompanied by a signature guarantee validating the signatures appearing thereon, we shall endorse this Letter of Credit and forward same to the new beneficiary (i.e., transferee). Transfers to designated foreign nationals and/or specially designated nationals are not permitted as such transfers are contrary to the U.S. Treasury Department or Foreign Assets Control Regulations. Upon the effective date of such transfer, as set forth in such Transfer, the transferee instead of the transferor shall without necessity of further action, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; *provided that*, in such case, any certificates of the Issuing and Paying Agent to be provided hereunder shall be signed by one who states therein that he is a duly authorized officer or agent of the transferee.

In connection with the termination of this Letter of Credit, this Letter of Credit shall be returned to us and marked "cancelled". This Letter of Credit is intended to apply only to the payment of the principal amount (or face amount in the case of any Commercial Paper Notes

issued at a discount) of the Commercial Paper Notes and interest accrued or to accrue thereon upon the maturity thereof.

This Letter of Credit sets forth in full our undertaking but not any of our rights (whether under applicable law or otherwise), and such undertaking but not any of our rights (whether under applicable law or otherwise) shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Commercial Paper Notes), except only the Drawings referred to herein, the ISP98 (as hereinafter defined) and the Uniform Commercial Code of the State of New York; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Drawings.

If a Drawing does not conform to the terms and conditions of the Letter of Credit, we shall give you prompt notice that the Drawing did not comply in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefor and that the Bank is holding the documents at your disposal or return the same to you, as the Bank may elect. Upon being notified that the Drawing was not effected in conformity with this Letter of Credit you may attempt to correct any such non-conforming Drawing if, and to the extent that you are entitled and able to do so on or before the Stated Expiration Date.

Unless otherwise specified herein or as otherwise provided in writing by us, communications with respect to this Letter of Credit shall be in writing and shall be addressed to the Bank at U.S. Bank National Association, 555 S W Oak Street, Suite 400-P, Portland, Oregon 97204, Attention: Letter of Credit Department Manager, specifically referring to the number of this Letter of Credit. For telephone assistance, please contact the Letter of Credit Department Manager at (866) 359-2503 or (503) 464-3700, and have the Letter of Credit number available. Any communication to the Bank (other than Drawings) shall be in writing delivered to the Bank at the address set forth in this paragraph.

Communications with respect to this Letter of Credit shall be addressed to you at U.S. Bank Trust Company, National Association, 100 Wall Street, 6th Floor, New York, New York 10005, Attention: Global Corporate Trust, specifically referring to the number of this Letter of Credit, or as otherwise provided in writing by you.

Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP98"). As to matters not governed by the ISP98, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, including, without limitation, Article 5 of the Uniform Commercial Code of the State of New York, without regard to conflict of laws.

[SIGNATURE PAGE TO FOLLOW]

Very truly yours,

U.S. BANK NATIONAL ASSOCIATION

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

**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES  
LEASE REVENUE COMMERCIAL PAPER NOTES (LOS ANGELES CONVENTION CENTER)**

**ANNEX A**

**TO  
U.S. BANK NATIONAL ASSOCIATION  
IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]**

**CERTIFICATE FOR DRAWING IN CONNECTION  
WITH THE PAYMENT OF PRINCIPAL AND INTEREST**

Date: \_\_\_\_\_

U.S. Bank National Association  
555 S W Oak Street, Suite 400-P  
Portland, Oregon 97204  
Attn: Letter of Credit Department Manager

cc: Via Facsimile to (503) 464-4125

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to U.S. Bank National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. [\_\_\_\_\_] (the "*Letter of Credit*", the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement and is acting as the agent for the holders of the Commercial Paper Notes.

2. The undersigned is making a drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest (or face amount in the case of any Commercial Paper Notes issued at a discount) on maturing Commercial Paper Notes which mature, and for which payment is due, on \_\_\_\_\_, 20\_\_.

3. The amount of the Drawing is equal to \$\_\_\_\_\_ (of which \$\_\_\_\_\_ represents principal and \$\_\_\_\_\_ represents accrued interest). Such amounts were computed in compliance with the terms and conditions of the Commercial Paper Notes and the Trust Agreement. The amount of the Drawing being drawn in respect of the payment of principal of and accrued interest (or face amount in the case of any Commercial Paper Notes issued at a discount) on maturing Commercial Paper Notes does not exceed the Stated Amount of the Letter of Credit. The amount demanded hereby does not include any amount in respect of the Commercial Paper Notes registered in the name of the City or MICLA or, to the best knowledge of the Issuing and Paying Agent, any nominee for or any Person who owns such Commercial Paper Notes for the benefit of the City or MICLA.



4. Each such Commercial Paper Note was authenticated and delivered by us (or a predecessor Issuing and Paying Agent) pursuant to authority under the Trust Agreement.

5. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the applicable Credit Facility Proceeds Subaccount maintained by the Issuing and Paying Agent pursuant to the Trust Agreement and the Issuing and Paying Agent Agreement and shall apply the same directly to the payment when due of the principal amount (or face amount in the case of any Commercial Paper Notes issued at a discount) of the Commercial Paper Notes and the interest amount owing on account of the Commercial Paper Notes pursuant to the Trust Agreement, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Commercial Paper Notes have been presented for payment and paid by us, we will cancel such matured Commercial Paper Notes.

6. Payment by the Bank pursuant to this drawing is to be made to the Issuing and Paying Agent in accordance with the terms of the Letter of Credit.

7. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_, as Issuing and Paying Agent

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

**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES  
LEASE REVENUE COMMERCIAL PAPER NOTES (LOS ANGELES CONVENTION CENTER)**

**ANNEX B**

**TO  
U.S. BANK NATIONAL ASSOCIATION  
IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]**

**REQUEST FOR TRANSFER**

Date: \_\_\_\_\_

U.S. Bank National Association  
555 S W Oak Street, Suite 400-P  
Portland, Oregon 97204  
Attn: Letter of Credit Department Manager

cc: Via Facsimile to (503) 464-4125

Re: U.S. Bank National Association Irrevocable Letter of Credit No. [\_\_\_\_\_] dated June 8, 2022

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit (the "*Letter of Credit*") in its entirety to:

NAME OF TRANSFEREE

\_\_\_\_\_  
(Print Name and complete address of the Transferee)

"Transferee"

ADDRESS OF TRANSFEREE

\_\_\_\_\_

CITY, STATE/COUNTRY ZIP

\_\_\_\_\_

We hereby certify the Transferee has succeeded us as Issuing and Paying Agent under the Trust Agreement.

In accordance with the ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Letter of Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Letter of Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Letter of Credit in such form and manner as you deem appropriate, and the terms and conditions of the Letter of Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

Payment of transfer fee of U.S. [ ] is for the account of MICLA, who agrees to pay you on demand any expense or cost you may incur in connection with the transfer. Receipt of such shall not constitute consent by you to effect the transfer.

Transferor represents and warrants to Transferring Bank that (i) our execution, delivery, and performance of this request to Transfer (a) are within our powers (b) have been duly authorized (c) constitute our legal, valid, binding and enforceable obligation (d) do not contravene any charter provision, by-law, resolution, contract, or other undertaking binding on or affecting us or any of our properties (e) do not require any notice, filing or other action to, with, or by any governmental authority (f) the enclosed Letter of Credit is original and complete, (g) there is no outstanding demand or request for payment or transfer under the Letter of Credit affecting the rights to be transferred, (h) the Transferee's name and address are correct and complete and the Transferee's use of the Letter of Credit as transferred and the transactions underlying the Letter of Credit and the requested Transfer do not violate any applicable United States or other law, rule or regulation.

Following the Bank's receipt of this request accompanied by the original Letter of Credit and the Transferor's signature guarantee validating the signatures appearing below, the Effective Date of the transfer shall be the date hereafter on which the Bank endorses the Letter of Credit and forwards the same to the Transferee as successor beneficiary.

The Effective Date shall be the date hereafter on which Transferring Bank effects the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

(Signature Page Follows)

This Request is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

Sincerely yours,

\_\_\_\_\_  
(Print Name of Transferor)

\_\_\_\_\_  
(Transferor's Authorized Signature)

\_\_\_\_\_  
(Print Authorized Signers Name and Title)

\_\_\_\_\_  
(Telephone Number/Fax Number)

|   |
|---|
| <p>SIGNATURE GUARANTEED</p> <p>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.</p> <p>_____<br/>(Print Name of Bank)</p> <p>_____<br/>(Address of Bank)</p> <p>_____<br/>(City, State, Zip Code)</p> <p>_____<br/>(Print Name and Title of Authorized Signer)</p> <p>_____<br/>(Authorized Signature)</p> |
|---|

Acknowledged:

\_\_\_\_\_  
(Print Name of Transferee)

\_\_\_\_\_  
(Transferee's Authorized Signature)

\_\_\_\_\_  
(Print Authorized Signers Name and Title)

\_\_\_\_\_  
(Telephone Number/Fax Number)

|   |
|---|
| <p>SIGNATURE GUARANTEED</p> <p>Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.</p> <p>_____<br/>(Print Name of Bank)</p> <p>_____<br/>(Address of Bank)</p> <p>_____<br/>(City, State, Zip Code)</p> <p>_____<br/>(Print Name and Title of Authorized Signer)</p> <p>_____<br/>(Authorized Signature)</p> |
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**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES  
LEASE REVENUE COMMERCIAL PAPER NOTES (LOS ANGELES CONVENTION CENTER)**

**ANNEX C**

**TO  
U.S. BANK NATIONAL ASSOCIATION  
IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_] ]  
CERTIFICATE RE: ALTERNATE CREDIT FACILITY**

Date: \_\_\_\_\_

U.S. Bank National Association  
555 S W Oak Street, Suite 400-P  
Portland, Oregon 97204  
Attn: Letter of Credit Department Manager

cc: Via Facsimile to (503) 464-4125

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to U.S. Bank National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. [\_\_\_\_\_] (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement for the holders of the Commercial Paper Notes.
2. The conditions precedent to the acceptance of an Alternate Credit Facility set forth in the Trust Agreement have been satisfied.
3. An Alternate Credit Facility in full and complete substitution for the Letter of Credit has been accepted by the Issuing and Paying Agent and is in effect.
4. There will be no further Drawings requested from the Bank under the Letter of Credit.
5. Upon receipt by the Bank of this Certificate the Letter of Credit shall terminate with respect to all outstanding Commercial Paper Notes, and the Letter of Credit (including any amendments thereto) is returned to you herewith for cancellation.
6. No payment is demanded of you in connection with this notice.
7. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of  
the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_, as Issuing and Paying  
Agent

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

**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES  
LEASE REVENUE COMMERCIAL PAPER NOTES (LOS ANGELES CONVENTION CENTER)**

**ANNEX D**

**TO  
U.S. BANK NATIONAL ASSOCIATION  
IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]**

**CERTIFICATE RE: NO OUTSTANDING COMMERCIAL PAPER NOTES**

Date: \_\_\_\_\_

U.S. Bank National Association  
555 S W Oak Street, Suite 400-P  
Portland, Oregon 97204  
Attn: Letter of Credit Department Manager

cc: Via Facsimile to (503) 464-4125

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to U.S. Bank National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. [\_\_\_\_\_] (the "*Letter of Credit*," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement for the holders of the Commercial Paper Notes.

2. No Commercial Paper Notes (other than Commercial Paper Notes with respect to which an Alternate Credit Facility is in effect) remain outstanding under the Trust Agreement nor does MICLA intend to issue any additional Commercial Paper Notes under the Trust Agreement.

3. There will be no further Drawings requested from the Bank under the Letter of Credit, and we hereby elect to terminate the Letter of Credit and return such Letter of Credit (including any amendments thereto) to you herewith for cancellation.

4. No payment is demanded of you in connection with this notice.

5. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of  
the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_, as Issuing and Paying  
Agent

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



**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES  
LEASE REVENUE COMMERCIAL PAPER NOTES (LOS ANGELES CONVENTION CENTER)**

**ANNEX E**

**TO  
U.S. BANK NATIONAL ASSOCIATION  
IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_] ]  
AMENDMENT NO. [\_\_\_\_\_] ]**

**NOTICE OF DECREASE IN STATED AMOUNT**

U.S. Bank Trust Company, National Association  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

The undersigned, a duly authorized signatory of U.S. Bank National Association (the “Bank”), hereby certifies to U.S. Bank Trust Company, National Association, as successor issuing and paying agent (the “*Issuing and Paying Agent*”) with reference to Irrevocable Letter of Credit No. [\_\_\_\_\_] ], (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used as therein defined), issued by the Bank in favor of the Issuing and Paying Agent, the Stated Amount of the Letter of Credit shall be decreased in the amount of \$ \_\_\_\_\_, effective as of \_\_\_\_\_ (the “*Decrease Date*”). The new Stated Amount of the Letter of Credit is \$ \_\_\_\_\_, which by your acknowledgment hereto you certify that such amount is not less than the sum of the outstanding principal amount of non-discount Commercial Paper Notes on such Decrease Date plus interest to accrue thereon to the maturity date thereof and the face amount of all outstanding discount Commercial Paper Notes on such Decrease Date. You shall attach this Notice of Decrease in Stated Amount to the Letter of Credit and treat this Notice of Decrease in Stated Amount as an amendment to the Letter of Credit. All other terms and conditions of the Letter of Credit remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Decrease in Stated Amount as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

U.S. BANK NATIONAL ASSOCIATION  
as the Bank

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

Acknowledged as of \_\_\_\_\_, \_\_\_\_\_ by  
U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as  
successor Issuing and Paying Agent

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

**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES  
LEASE REVENUE COMMERCIAL PAPER NOTES (LOS ANGELES CONVENTION CENTER)**

**ANNEX F**

**TO  
U.S. BANK NATIONAL ASSOCIATION  
IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_] ]  
AMENDMENT NO. [\_\_\_\_\_] ]**

**NOTICE OF EXTENSION OF LETTER OF CREDIT EXPIRATION DATE**

Date: \_\_\_\_\_

U.S. Bank Trust Company, National Association  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

The undersigned, duly authorized signatory of U.S. Bank National Association (the “*Bank*”), hereby notifies U.S. Bank Trust Company, National Association, as successor issuing and paying agent (the “*Issuing and Paying Agent*”), with reference to Irrevocable Letter of Credit No. [\_\_\_\_\_] (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The Letter of Credit Expiration Date has been extended to \_\_\_\_\_.
2. This Notice of Extension should be attached to the Letter of Credit and be treated as an amendment thereof.
3. All other terms and conditions of the Letter of Credit remain unchanged.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Extension as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

U.S. BANK NATIONAL ASSOCIATION

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

cc: Municipal Improvement Corporation of Los Angeles  
City of Los Angeles

**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES  
LEASE REVENUE COMMERCIAL PAPER NOTES (LOS ANGELES CONVENTION CENTER)**

**ANNEX G**

**TO  
U.S. BANK NATIONAL ASSOCIATION  
IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]**

**CERTIFICATE FOR FINAL DRAWING IN CONNECTION WITH THE  
PAYMENT OF PRINCIPAL AND INTEREST AFTER  
[TIER ONE FINAL DRAWING NOTICE] [TIER TWO TERMINATION NOTICE]  
[NEW TIER TWO TERMINATION NOTICE]**

Date: \_\_\_\_\_

U.S. Bank National Association  
555 S W Oak Street, Suite 400-P  
Portland, Oregon 97204  
Attn: Letter of Credit Department Manager

cc: Via Facsimile to (503) 464-4125

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the "*Issuing and Paying Agent*"), hereby certifies to U.S. Bank National Association (the "*Bank*"), with reference to Irrevocable Letter of Credit No. [\_\_\_\_\_], (the "*Letter of Credit*," the terms defined therein are not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement and is acting as the agent for the holders of the Commercial Paper Notes.

2. The Issuing and Paying Agent has received the Final Drawing Notice in the form of a [Tier One Final Drawing Notice in the form of Exhibit E-2 to the Reimbursement Agreement] [Tier Two Termination Notice in the form of Exhibit F to the Reimbursement Agreement] [New Two Termination Notice in the form of Exhibit G to the Reimbursement Agreement].

3. The undersigned is making a Final Drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on Commercial Paper Notes that (i) were issued in accordance with the Issuing and Paying Agent Agreement and the Trust Agreement, (ii) were outstanding prior to the Issuing and Paying Agent's receipt of the Final Drawing Notice and/or a Stop Issuance Instruction (as defined in the Reimbursement Agreement) and (iii) mature on or after the date of the Final Drawing Notice. Notwithstanding anything in the Issuing and Paying Agent Agreement or the Resolution to the contrary, this Drawing shall not provide for the payment of Commercial Paper Notes that are issued after the receipt by the Issuing and Paying Agent of the Final Drawing Notice or a Stop Issuance Instruction.

4. The amount of the Drawing is equal to \$ \_\_\_\_\_, with \$ \_\_\_\_\_ being drawn in respect of the payment of principal of maturing Commercial Paper Notes (or face amount in the case of any Commercial Paper Notes issued at a discount) and \$ \_\_\_\_\_ being drawn in respect of the payment of accrued interest thereon, if applicable. Such amounts were computed in compliance with the terms and conditions of the Commercial Paper Notes, the Issuing and Paying Agent Agreement and the Trust Agreement. The amount of the Drawing being drawn in respect of the payment of principal of and interest payable to maturity of, the Commercial Paper Notes does not exceed the Stated Amount of the Letter of Credit. The amount requested for payment hereunder has not been and is not the subject of a prior or contemporaneous request for payment under the Letter of Credit.

5. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will deposit the same directly into the applicable Credit Facility Proceeds Subaccount maintained by the Issuing and Paying Agent pursuant to the Issuing and Paying Agent Agreement and apply the same directly to the payment when due of the principal amount of Commercial Paper Notes and the interest amount owing on account of the Commercial Paper Notes pursuant to the Issuing and Paying Agent Agreement and the Trust Agreement, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for amounts on deposit in the applicable Credit Facility Proceeds Subaccount and except for other funds drawn under the Letter of Credit, and (d) when such Commercial Paper Notes have been presented for payment and paid by us, we will cancel such matured Commercial Paper Notes.

6. **[This Annex G is being presented to the Bank on a date which is no later than the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after receipt by the Issuing and Paying Agent of the Tier One Final Drawing Notice from the Bank in the form of Exhibit E-2 to the Reimbursement Agreement.][This Annex G is being presented to the Bank on a date which is no later than the earlier of (i) the Tier Two Termination Date (or if such date is not a Business Day, the immediately succeeding Business Day) which has not been superseded or rescinded or (ii) the New Tier Two Termination Date (or if such date is not a Business Day, the immediately succeeding Business Day) after receipt by the Issuing and Paying Agent of the Tier Two Termination Notice from the Bank in the form of Exhibit F to the Reimbursement Agreement.] [This Annex G is being presented to the Bank on a date which is no later than the New Tier Two Termination Date (or if such day is not a Business Day the immediately succeeding Business Day) after receipt by the Issuing and Paying Agent of a New Tier Two Termination Notice in the form of Annex G to the Reimbursement Agreement.]**

7. Payment by the Bank pursuant to this drawing is to be made to the Issuing and Paying Agent in accordance with the terms of the Letter of Credit.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Annex G as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as successor Issuing and  
Paying Agent

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

cc: Municipal Improvement Corporation of Los Angeles  
City of Los Angeles

**MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES  
LEASE REVENUE COMMERCIAL PAPER NOTES (LOS ANGELES CONVENTION CENTER)**

**ANNEX H**

**TO  
U.S. BANK NATIONAL ASSOCIATION  
IRREVOCABLE LETTER OF CREDIT NO. [\_\_\_\_\_]**

**[FORM OF NOTICE OF REINSTATEMENT]**

U.S. Bank Trust Company, National Association  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

The undersigned, duly authorized signatory of U.S. Bank National Association (the "Bank"), hereby notifies U.S. Bank Trust Company, National Association, as successor issuing and paying agent (the "Issuing and Paying Agent"), with reference to Irrevocable Letter of Credit No. [\_\_\_\_\_] (the "Letter of Credit," the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. On \_\_\_\_\_, 20\_\_\_, the Bank honored a \_\_\_\_\_ Drawing (except in the case of a Drawing resulting from the delivery of a Final Drawing Notice) under the Letter of Credit in the amount of \$\_\_\_\_\_.
2. The Bank has been reimbursed by or on behalf of MICLA in the amount of \$\_\_\_\_\_ for such Drawing.
3. The Stated Amount available to be drawn by you under the Letter of Credit is hereby increased in the amount of \$\_\_\_\_\_ on the date hereof.
4. The new Stated Amount of the Letter of Credit is \$\_\_\_\_\_.



IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Reinstatement as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

U.S. BANK NATIONAL ASSOCIATION

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

## EXHIBIT B

### [FORM OF REVOLVING NOTE] REVOLVING NOTE

\$105,000,000

MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES (“*MICLA*”), for value received, hereby promises to pay to U.S. BANK NATIONAL ASSOCIATION (the “*Bank*”), or registered assigns, under the Reimbursement Agreement hereinafter referred to, at the principal office of the Bank in U.S. Bank National Association, [\_\_\_\_\_], the sum of ONE HUNDRED FIVE MILLION DOLLARS or, if less, the aggregate principal amount of all drawings paid by the Bank under the Letter of Credit and all Advances made by the Bank pursuant to the Reimbursement Agreement, together with accrued and unpaid interest thereon.

The unpaid principal amount hereof from time to time outstanding shall bear interest at the rate or rates and be payable as provided in and calculated in the manner set forth in the Reimbursement Agreement.

Payments of both principal and interest are to be made in lawful money of the United States of America.

Annexed hereto and made a part hereof is a grid (the “*Grid*”) on which shall be shown all drawings paid by the Bank and all Advances and Term Loans outstanding from time to time under the Reimbursement Agreement and the amounts of principal and interest payable and paid from time to time under the Reimbursement Agreement. *MICLA* hereby appoints the Bank as its agent to endorse the principal amounts owing to the Bank and the maturity schedule therefor pursuant to Section 2.5 and 2.6 of the Reimbursement Agreement respecting outstanding Advances and Term Loans with interest until payment in full pursuant to the terms of this Note, and the date and the amount of each such drawing, Advance or Term Loan or principal or interest repayment made hereunder. In any legal action or proceeding in respect of this Note, the entries made in such accounts shall be prima facie evidence of the existence and the amounts of the obligations of *MICLA* recorded therein.

This Note evidences indebtedness incurred under, and is subject to the terms and provisions of, a Letter of Credit and Reimbursement Agreement dated as of June 1, 2022 (as the same may at any time be amended or modified and in effect, the “*Reimbursement Agreement*”), among *MICLA*, the City of Los Angeles and the Bank, to which reference is hereby made for a statement of said terms and provisions, including those under which this Note may be paid prior to its due date.

Notwithstanding the foregoing, the obligations of *MICLA* under this Note are a special obligation of *MICLA* payable solely from the Pledged Property. To the extent the City pays any obligation of *MICLA* under this Note, such payment shall be deemed to be payment by *MICLA* of such obligation.

MICLA hereby agrees to pay or cause to be paid, from Additional Rental paid by the City under the Sublease, all expenses, including reasonable attorneys' fees and legal expenses, incurred by the holder of this Note in endeavoring to collect any amounts payable hereunder which are not paid when due.

This Note is made under the laws of the State of California, and for all purposes shall be governed by and construed in accordance with the laws of said State, without regard to principles of conflicts of law. Capitalized terms not otherwise defined herein have the meaning set forth in the Reimbursement Agreement.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Reimbursement Agreement precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by resolution of MICLA duly adopted.

MICLA hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices and demands whatsoever.

IN WITNESS WHEREOF, the MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES has caused this Note to be duly executed in its name by the manual or facsimile signature of an Authorized Officer as of June 8, 2022.

MUNICIPAL IMPROVEMENT CORPORATION OF  
LOS ANGELES

By: \_\_\_\_\_  
Name: Ha To  
Title: Assistant Secretary and Assistant  
Treasurer

**REVOLVING NOTE GRID**

**DRAWINGS, ADVANCES AND TERM LOANS  
AND PAYMENTS OF PRINCIPAL AND INTEREST**

| DATE | DRAWING,<br>ADVANCE OR<br>TERM LOAN | AMOUNT OF<br>DRAWING,<br>ADVANCE OR<br>TERM LOAN | PRINCIPAL<br>AMOUNT OF<br>ADVANCES OR<br>TERM LOANS<br>REPAID | AMOUNT OF<br>INTEREST ON<br>ADVANCES OR<br>TERM LOANS<br>REPAID | AGGREGATE<br>ADVANCE<br>BALANCE | NOTATION<br>MADE BY |
|------|-------------------------------------|--|---|---|---------------------------------|---------------------|
|      |                                     |  |   |   |                                 |                     |
|      |                                     |  |   |   |                                 |                     |
|      |                                     |  |   |   |                                 |                     |
|      |                                     |  |   |   |                                 |                     |
|      |                                     |  |   |   |                                 |                     |
|      |                                     |  |   |   |                                 |                     |
|      |                                     |  |   |   |                                 |                     |
|      |                                     |  |   |   |                                 |                     |
|      |                                     |  |   |   |                                 |                     |

Note: Additional pages of this Revolving Note and Revolving Note Grid may be attached to the Revolving Note as may be necessary to record certain information regarding each drawing, Advance or Term Loan.

## EXHIBIT C

### [FORM OF REQUEST FOR DECREASE IN STATED AMOUNT]

#### REQUEST FOR DECREASE IN STATED AMOUNT

The undersigned, duly authorized signatories of the undersigned Municipal Improvement Corporation of Los Angeles (“*MICLA*”) and the City of Los Angeles (the “*City*”), hereby certify to U.S. Bank National Association (the “*Bank*”), with reference to Irrevocable Letter of Credit No. [\_\_\_\_\_] (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.10(b) of the Letter of Credit and Reimbursement Agreement dated as of June 1, 2022 (the “*Reimbursement Agreement*,” to which reference is made for the definition of capitalized terms not otherwise defined herein), among MICLA, the City and the Bank, MICLA and the City hereby elect to reduce the Stated Amount of the Letter of Credit in the amount of \$\_\_\_\_\_, effective as of \_\_\_\_\_ (the “*Decrease Date*”).

2. The Decrease Date for which such decrease is requested is \_\_\_\_\_, which is at least one (1) Business Day and not more than five (5) days after the date the Bank receives this Request for Decrease in Stated Amount.

3. The new Stated Amount of the Letter of Credit will be \$\_\_\_\_\_. As of the Decrease Date and upon such reduction, the Stated Amount will not be less than the sum of (i) the face value of all discount Commercial Paper Notes and (ii) the principal amount of all outstanding non-discount Commercial Paper Notes plus all interest to accrue on such non-discount Commercial Paper Notes to the maturity date thereof.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of  
the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

MUNICIPAL IMPROVEMENT CORPORATION OF  
LOS ANGELES

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

CITY OF LOS ANGELES

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

**EXHIBIT D**

**[FORM OF REQUEST FOR EXTENSION]**

**REQUEST FOR EXTENSION**

The undersigned, duly authorized signatories of the undersigned Municipal Improvement Corporation of Los Angeles (“*MICLA*”) and the City of Los Angeles (the “*City*”), hereby certify to U.S. Bank National Association (the “*Bank*”), with reference to Irrevocable Letter of Credit No. [\_\_\_\_\_] (the “*Letter of Credit*,” the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. Pursuant to Section 2.10(a) of the Letter of Credit and Reimbursement Agreement dated as of June 1, 2022 (the “*Reimbursement Agreement*,” to which reference is made for the definition of capitalized terms not otherwise defined herein), among MICLA, the City and the Bank, MICLA and the City hereby request an extension of the Stated Expiration Date to \_\_\_\_\_.

2. All representations and warranties contained in Article IV of the Reimbursement Agreement (other than in Section 4.1(g) and 4.2(g) thereof) are true and correct in all material respects as of the date of this Certificate as if made on and as of the date hereof and no Event of Default has occurred and is continuing and no event has occurred and is continuing which is or with the passage of time or giving of notice or both would be an Event of Default on and as of the date hereof or will occur as a result of the extension of the Letter of Credit Expiration Date of the Letter of Credit.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

MUNICIPAL IMPROVEMENT CORPORATION OF  
LOS ANGELES

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

CITY OF LOS ANGELES

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

**EXHIBIT E-1**

**[FORM OF TIER ONE STOP ISSUANCE INSTRUCTION]**

**[Dated Date]**

City of Los Angeles/CAO  
200 North Main Street, Room 1500  
Los Angeles, California 90012-4190  
Attention: Debt Management Group

Municipal Improvement Corporation of Los Angeles  
c/o City of Los Angeles  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: MICLA Coordinator

U.S. Bank Trust Company, National Association,  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

Re: Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes (Los Angeles Convention Center)  
Tax-Exempt Series A-1 Notes and Taxable Series B-1 Notes

Ladies and Gentlemen:

Pursuant to Sections 3.3(b) and 6.2 of that certain Letter of Credit Reimbursement Agreement, dated as of June 1, 2022 (the "*Reimbursement Agreement*"), among the Municipal Improvement Corporation of Los Angeles ("*MICLA*"), the City of Los Angeles (the "*City*") and the undersigned, as Bank, you are hereby notified that (a) either (1) an "Event of Default" under Section 6.1 of the Reimbursement Agreement has occurred and is now continuing or (2) the conditions precedent to the occurrence of a Credit Event set forth in Section 3.2 of the Reimbursement Agreement have not been satisfied; (b) upon receipt of this notice, (i) no new Commercial Paper Notes, as defined in the Reimbursement Agreement, shall be issued or authenticated on or after the date hereof, (ii) the Stated Amount of the Letter of Credit shall be permanently reduced to the principal amount of Commercial Paper Notes outstanding on the date of your receipt this Tier One Stop Issuance Instruction plus interest thereon to maturity ("*Outstanding Notice Amount*"), (iii) the Stated Amount of the Letter of Credit shall be further permanently reduced following the Bank honoring the related Drawing upon the maturity of any



such Commercial Paper Notes (or with respect to the Tier One Final Drawing Notice, upon the Bank honoring the Final Drawing), and shall be further permanently reduced from time to time as otherwise may be provided in the Letter of Credit and (iv) the Stated Amount shall no longer be reinstated following any Drawings. Capitalized terms used herein and not defined herein having their respective meanings set forth in the Reimbursement Agreement.

The Issuing and Paying Agent is hereby requested to acknowledge receipt of this instruction, make certain undertakings, and certify the new Stated Amount of the Letter of Credit in the manner set forth below.

This Tier One Stop Issuance Instruction shall remain in effect unless you have received written notification from us that this Tier One Stop Issuance Instruction has been rescinded.

Very truly yours,

U.S. BANK NATIONAL ASSOCIATION, as Bank

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

ACCEPTED AND ACKNOWLEDGED BY:

U.S. Bank Trust Company, National Association, as successor Issuing and Paying Agent, hereby accepts this Tier One Stop Issuance Instruction on \_\_\_\_\_, 20\_\_ (the “*Acceptance Date*”) and acknowledges that it has ceased issuing Commercial Paper Notes as of the Acceptance Date; *provided, however*, that the failure of U.S. Bank Trust Company, National Association to acknowledge this Tier One Stop Issuance Instruction shall not affect the effectiveness of this Tier One Stop Issuance Instruction. U.S. Bank Trust Company, National Association, as successor Issuing and Paying Agent, hereby certifies that the Outstanding Notice Amount (which is the principal amount of Commercial Paper Notes outstanding as of the Acceptance Date plus interest thereon to maturity) equals \$\_\_\_\_\_, and therefore the Stated Amount of the Letter of Credit is hereby permanently reduced to such amount as of the Acceptance Date.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
as successor Issuing and Paying Agent

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

cc: [DEALER]  
[RATING AGENCIES]

**EXHIBIT E-2**

**[FORM OF TIER ONE FINAL DRAWING NOTICE]**

**[Dated Date]**

City of Los Angeles/CAO  
200 North Main Street, Room 1500  
Los Angeles, California 90012-4190  
Attention: Debt Management Group

Municipal Improvement Corporation of Los Angeles  
c/o City of Los Angeles  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: MICLA Coordinator

U.S. Bank Trust Company, National Association,  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

Re: Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes (Los Angeles Convention Center)  
Tax-Exempt Series A-1 Notes and Taxable Series B-1 Notes

Ladies and Gentlemen:

Pursuant to Sections 3.3(b) and 6.2 of that certain Letter of Credit Reimbursement Agreement, dated as of June 1, 2022 (the "*Reimbursement Agreement*"), among the Municipal Improvement Corporation of Los Angeles ("*MICLA*"), the City of Los Angeles (the "*City*") and the undersigned, as Bank, you are hereby notified that an "Event of Default" under Section 6.1 of the Reimbursement Agreement has occurred and is now continuing.

We hereby instruct the Issuing and Paying Agent to cease issuing Commercial Paper Notes.

We hereby notify the Issuing and Paying Agent that (i) effective upon receipt of this Tier One Final Drawing Notice, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Issuing and Paying Agent is instructed to make the Final Drawing under the Letter of Credit (in the form of Annex G thereto) to provide for the payment of Commercial Paper Notes issued in accordance with the Issuing and

Paying Agent Agreement and the Trust Agreement that are both (x) outstanding on the date hereof and (y) maturing or are hereafter to mature, and (iii) the Stated Expiration Date of the Letter of Credit will occur and the Letter of Credit will expire on the earlier of (a) date which is the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date of receipt by the Issuing and Paying Agent of this notice, and (b) the date on which the Final Drawing resulting from the delivery of this notice is honored by us. Notwithstanding anything in the Issuing and Paying Agent Agreement or the Trust Agreement to the contrary, the Final Drawing under the Letter of Credit shall not provide for the payment of Commercial Paper Notes that are issued after the receipt by the Issuing and Paying Agent of this notice or a Stop Issuance Instruction (as defined in the Reimbursement Agreement).

The Issuing and Paying Agent is hereby requested to acknowledge receipt of this notice, make certain undertakings, and certify the new Stated Amount of the Letter of Credit in the manner set forth below.

This Tier One Final Drawing Notice shall remain in effect unless you have received written notification from us that this Tier One Final Drawing Notice has been rescinded.

Very truly yours,

U.S. BANK NATIONAL ASSOCIATION, as Bank

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

ACCEPTED AND ACKNOWLEDGED BY:

U.S. Bank Trust Company, National Association, as successor Issuing and Paying Agent, hereby accepts this Tier One Final Drawing Notice on \_\_\_\_\_, 20\_\_ (the “*Acceptance Date*”) and acknowledges that it has ceased issuing Commercial Paper Notes as of the Acceptance Date; *provided, however*, that the failure of U.S. Bank Trust Company, National Association to acknowledge this Tier One Final Drawing Notice shall not affect the effectiveness of this Tier One Final Drawing Notice. U.S. Bank Trust Company, National Association, as successor Issuing and Paying Agent, hereby certifies that, as of the Acceptance Date, the Outstanding Notice Amount (which is the principal amount of Commercial Paper Notes outstanding as of the Acceptance Date plus interest thereon to maturity) equals \$\_\_\_\_\_, and the Stated Amount of the Letter of Credit is hereby permanently reduced to such amount as of the Acceptance Date.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
as successor Issuing and Paying Agent

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

cc: [DEALER]  
[RATING AGENCIES]

**EXHIBIT F**

**FORM OF TIER TWO TERMINATION NOTICE**

Date: \_\_\_\_\_

City of Los Angeles CAO  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: Debt Management Group

Municipal Improvement Corporation  
of Los Angeles  
c/o City of Los Angeles  
Office of the City Administrative Office  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: MICLA Coordinator

U.S. Bank Trust Company, National Association  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

Re: Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes (Los Angeles Convention Center),  
Tax-Exempt Series A-1 Notes and Taxable Series B-1 Notes

Ladies and Gentlemen:

Pursuant to Section 3.3(c) of that certain Letter of Credit and Reimbursement Agreement, dated as of June 1, 2022 (as the same may be amended, restated, supplemented or otherwise modified, the "*Reimbursement Agreement*"), by and among the Municipal Improvement Corporation of Los Angeles ("*MICLA*"), the City of Los Angeles (the "*City*") and the undersigned, as Bank, you are hereby notified that:

The Bank has determined that it is unable to comply with one or more of the provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (a) any change in the Bank's policies after the Date of Issuance or (b) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal

History Provisions, as applicable, after the Date of Issuance. The Bank hereby notifies the Issuing and Paying Agent that (i) upon receipt of this notice, no new Commercial Paper Notes shall be issued or authenticated with a stated maturity date later than the one hundred twentieth (120th) day following receipt of this Tier Two Termination Notice, which is \_\_\_\_\_, 20\_\_ (the “Tier Two Termination Date”), (ii) on the Tier Two Termination Date, the Issuing and Paying Agent is instructed to make the Final Drawing under the Letter of Credit (in the form of Annex G thereto) to provide for the payment of Commercial Paper Notes issued in accordance with the Issuing and Paying Agent Agreement and the Trust Agreement which are outstanding and are maturing on or after the Tier Two Termination Date, (iii) the Stated Amount of the Letter of Credit shall be permanently reduced to \$0 on the Tier Two Termination Date, following the Bank honoring the Drawing on such Tier Two Termination Date, (iv) the Stated Amount shall no longer be reinstated following payment by the Bank of any Drawings, and (v) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the Tier Two Termination Date.

This Tier Two Termination Notice shall remain in effect unless you have received written notification from us that this Tier Two Termination Notice has been rescinded or replaced with a subsequent New Tier Two Termination Notice.

Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Reimbursement Agreement.

Very truly yours,

U.S. BANK NATIONAL ASSOCIATION, as the  
Bank

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

cc: [DEALER]  
[RATING AGENCIES]

**EXHIBIT G**

**FORM OF NEW TIER TWO TERMINATION NOTICE**

Date: \_\_\_\_\_

City of Los Angeles CAO  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: Debt Management Group

Municipal Improvement Corporation  
of Los Angeles  
c/o City of Los Angeles  
Office of the City Administrative Office  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012-4190  
Attention: MICLA Coordinator

U.S. Bank Trust Company, National Association  
as successor Issuing and Paying Agent  
100 Wall Street, 6th Floor  
New York, New York 10005  
Attention: Global Corporate Trust

Re: Municipal Improvement Corporation of Los Angeles  
Lease Revenue Commercial Paper Notes (Los Angeles Convention Center),  
Tax-Exempt Series A-1 Notes and Taxable Series B-1 Notes

Ladies and Gentlemen:

Pursuant to Section 3.3(c) of that certain Letter of Credit and Reimbursement Agreement, dated as of June 1, 2022 (as the same may be amended, restated, supplemented or otherwise modified, the "*Reimbursement Agreement*"), by and among the Municipal Improvement Corporation of Los Angeles ("*MICLA*"), the City of Los Angeles (the "*City*") and the undersigned, as Bank, you are hereby notified that:

The Bank has been subjected to monetary and/or civil penalties as a result of its inability to comply with one or more of the provisions of the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance or the Use of Criminal History Provisions as a result of (a) any change in the Bank's policies after the Date of Issuance or (b) any adopted or enacted changes, additions, amendments or modifications to the Equal Employment Practices, the Affirmative Action Program, the Child Support Provisions, the Measure H Ordinance and/or the Use of Criminal History Provisions, as applicable, after the Date



of Issuance. The Bank hereby notifies the Issuing and Paying Agent that (i) upon receipt of this notice, no new Commercial Paper Notes shall be issued or authenticated with a stated maturity date later than \_\_\_\_\_, 20\_\_ (the “*New Tier Two Termination Date*”) (which shall be a date not sooner than the earlier of (a) the 15th day following receipt of this New Tier Two Termination Notice, or (b) the original Tier Two Termination Date), (ii) on the New Tier Two Termination Date, the Issuing and Paying Agent is instructed to make the Final Drawing under the Letter of Credit (in the form of Annex G thereto) to provide for the payment of Commercial Paper Notes issued in accordance with the Issuing and Paying Agent Agreement and the Trust Agreement which are outstanding and are maturing on or after the New Tier Two Termination Date, (iii) the Stated Amount of the Letter of Credit shall be permanently reduced to \$0 on the New Tier Two Termination Date, following the Bank honoring the Drawing on such New Tier Two Termination Date, (iv) the Stated Amount shall no longer be reinstated following payment by the Bank of any Drawings, and (v) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the New Tier Two Termination Date.

This New Tier Two Termination Notice replaces the prior Tier Two Termination Notice that the Bank previously delivered on \_\_\_\_\_, 20\_\_.

This New Tier Two Termination Notice shall remain in effect unless you have received written notification from us that this New Tier Two Termination Notice has been rescinded.

Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Reimbursement Agreement.

Very truly yours,

U.S. BANK NATIONAL ASSOCIATION, as the  
Bank

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: [DEALER]  
[RATING AGENCIES]

## EXHIBIT H

### SECTION 10.8.3 OF THE LOS ANGELES ADMINISTRATIVE CODE

#### Section 10.8.3. Equal Employment Practices Provisions.

Every non-construction and construction Contract with, or on behalf of, the City of Los Angeles for which the consideration is \$1,000 or more shall contain the following provisions, which shall be designated as the **EQUAL EMPLOYMENT PRACTICES** provision of such contract:

A. During the performance of this Contract, the Contractor agrees and represents that it will provide Equal Employment Practices and the Contractor and each Subcontractor hereunder will ensure that in his or her Employment Practices persons are employed and employees are treated equally and without regard to, or because of, race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The Contractor agrees to post a copy of Paragraph A., hereof, in conspicuous places at its place of business available to employees and applicants for employment.

B. The Contractor will, in all solicitations or advertisements for employees placed by, or on behalf of, the Contractor, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

C. At the request of the Awarding Authority or the DAA, the Contractor shall certify in the specified format that he or she has not discriminated in the performance of City Contracts against any employee or applicant for employment on the basis or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

D. The Contractor shall permit access to, and may be required to provide certified copies of, all of his or her records pertaining to employment and to employment practices by the awarding authority or the DAA for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City Contracts. Upon request, the Contractor shall provide evidence that he or she has or will comply therewith.

E. The failure of any Contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City Contracts. The failure

shall only be established upon a finding to that effect by the Awarding Authority, on the basis of its own investigation or that of the DAA. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the Contractor.

F. Upon a finding duly made that the Contractor has failed to comply with the Equal Employment Practices provisions of a City Contract, the Contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the Awarding Authority, and all monies due or to become due hereunder may be forwarded to, and retained by, the City of Los Angeles. In addition thereto, the failure to comply may be the basis for a determination by the Awarding Authority or the DAA that the said Contractor is a non-responsible bidder or proposer pursuant to the provisions of Section 10.40 of this Code. In the event of such a determination, the Contractor shall be disqualified from being awarded a Contract with the City of Los Angeles for a period of two years, or until the Contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

H. The Board of Public Works shall promulgate rules and regulations through the DAA, and provide necessary forms and required language to the Awarding Authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this Contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive orders. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish the contract compliance program.

I. Nothing contained in this Contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

J. By affixing its signature on a Contract that is subject to this article, the Contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with employment practices, including, but not limited to:

1. hiring practices;
2. apprenticeships where approved programs are functioning and other on-the-job training for non-apprenticeable occupations;
3. training and promotional opportunities; and
4. reasonable accommodations for persons with disabilities.

L. All Contractors subject to the provisions of this section shall include a similar provision in all subcontracts awarded for work to be performed under the Contract with the City, and shall impose the same obligations including, but not limited to, filing and reporting obligations, on the Subcontractors as are applicable to the Contractor. Subcontracts shall follow the same thresholds specified in Section 10.8.1.1. Failure of the Contractor to comply with this requirement or to obtain the compliance of its Subcontractors with all such obligations shall subject the Contractor to the imposition of any and all sanctions allowed by law, including, but not limited to, termination of the Contractor's Contract with the City.

#### SECTION HISTORY

Amended by: Ord. No. 147,030, Eff. 4-28-75; Subsecs. A., B., C., Ord. No. 164,516, Eff. 4-13-89; Subsec. C., Ord. No. 168,244, Eff. 10-18-92; Ord. No. 173,186, Eff. 5-22-00; Subsec. F., Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 184,292, Eff. 6-27-16.

## EXHIBIT I

### SECTION 10.8.4 OF THE LOS ANGELES ADMINISTRATIVE CODE

#### Section 10.8.4. Affirmative Action Program Provisions.

Every non-construction and construction Contract with, or on behalf of, the City of Los Angeles for which the consideration is \$25,000 or more shall contain the following provisions which shall be designated as the **AFFIRMATIVE ACTION PROGRAM** provisions of such Contract:

A. During the performance of a City Contract, the Contractor certifies and represents that the Contractor and each Subcontractor hereunder will adhere to an Affirmative Action Program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

1. This section applies to work or services performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The Contractor shall post a copy of Paragraph A., hereof, in conspicuous places at its place of business available to employees and applicants for employment.

B. The Contractor shall, in all solicitations or advertisements for employees placed, by or on behalf of, the Contractor, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

C. At the request of the Awarding Authority or the DAA, the Contractor shall certify on an electronic or hard copy form to be supplied, that the Contractor has not discriminated in the performance of City Contracts against any employee or applicant for employment on the basis or because of race, color, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition.

D. The Contractor shall permit access to, and may be required to provide certified copies of, all of its records pertaining to employment and to its employment practices by the Awarding Authority or the DAA for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City Contracts and, upon request, to provide evidence that it has or will comply therewith.

E. The failure of any Contractor to comply with the Affirmative Action Program provisions of City Contracts may be deemed to be a material breach of a City Contract. The failure

shall only be established upon a finding to that effect by the Awarding Authority, on the basis of its own investigation or that of the DAA. No finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the Contractor.

F. Upon a finding duly made that the Contractor has breached the Affirmative Action Program provisions of a City Contract, the Contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the Awarding Authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, the breach may be the basis for a determination by the Awarding Authority or the Board of Public Works that the Contractor is a non-responsible bidder or proposer pursuant to the provisions of Section 10.40 of this Code. In the event of such determination, the Contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the Contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City Contract, there may be deducted from the amount payable to the Contractor by the City of Los Angeles under the contract, a penalty of ten dollars for each person for each calendar day on which the person was discriminated against in violation of the provisions of a City Contract.

H. Notwithstanding any other provisions of a City Contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the DAA and provide to the Awarding Authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an Awarding Authority of the City to accomplish this contract compliance program.

J. Nothing contained in City Contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. By affixing its signature to a Contract that is subject to this article, the Contractor shall agree to adhere to the provisions in this article for the duration of the Contract. The Awarding Authority may also require Contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Program.

1. The Contractor certifies and agrees to immediately implement good faith effort measures to recruit and employ minority, women and other potential employees in a non-discriminatory manner including, but not limited to, the following actions as appropriate and available to the Contractor's field of work. The Contractor shall:

- (a) Recruit and make efforts to obtain employees through:
  - (i) Advertising employment opportunities in minority and other community news media or other publications.
  - (ii) Notifying minority, women and other community organizations of employment opportunities.
  - (iii) Maintaining contact with schools with diverse populations of students to notify them of employment opportunities.
  - (iv) Encouraging existing employees, including minorities and women, to refer their friends and relatives.
  - (v) Promoting after school and vacation employment opportunities for minority, women and other youth.
  - (vi) Validating all job specifications, selection requirements, tests, etc.
  - (vii) Maintaining a file of the names and addresses of each worker referred to the Contractor and what action was taken concerning the worker.
  - (viii) Notifying the appropriate Awarding Authority and the DAA in writing when a union, with whom the Contractor has a collective bargaining agreement, has failed to refer a minority, woman or other worker.
- (b) Continually evaluate personnel practices to assure that hiring, upgrading, promotions, transfers, demotions and layoffs are made in a non-discriminatory manner so as to achieve and maintain a diverse work force.
- (c) Utilize training programs and assist minority, women and other employees in locating, qualifying for and engaging in the training programs to enhance their skills and advancement.
- (d) Secure cooperation or compliance from the labor referral agency to the Contractor's contractual Affirmative Action Program obligations.
- (e) Establish a person at the management level of the Contractor to be the Equal Employment Practices officer. Such individual shall have the authority to disseminate and enforce the Contractor's Equal Employment and Affirmative Action Program policies.

(f) Maintain records as are necessary to determine compliance with Equal Employment Practices and Affirmative Action Program obligations and make the records available to City, State and Federal authorities upon request.

(g) Establish written company policies, rules and procedures which shall be encompassed in a company-wide Affirmative Action Program for all its operations and Contracts. The policies shall be provided to all employees, Subcontractors, vendors, unions and all others with whom the Contractor may become involved in fulfilling any of its Contracts.

(h) Document its good faith efforts to correct any deficiencies when problems are experienced by the Contractor in complying with its obligations pursuant to this article. The Contractor shall state:

- (i) What steps were taken, how and on what date.
- (ii) To whom those efforts were directed.
- (iii) The responses received, from whom and when.
- (iv) What other steps were taken or will be taken to comply and when.
- (v) Why the Contractor has been or will be unable to comply.

2. Every contract of \$25,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall also comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

L. The Affirmative Action Program required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Awarding Authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

- 1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
- 2. Classroom preparation for the job when not apprenticeable;
- 3. Pre-apprenticeship education and preparation;
- 4. Upgrading training and opportunities;
- 5. Encouraging the use of Contractors, Subcontractors and suppliers of all racial and ethnic groups; provided, however, that any contract subject to this ordinance shall require the Contractor, Subcontractor or supplier to provide not less than the



prevailing wage, working conditions and practices generally observed in private industries in the Contractor's, Subcontractor's or supplier's geographical area for such work;

6. The entry of qualified women, minority and all other journeymen into the industry; and

7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

M. Any adjustments which may be made in the Contractor's work force to achieve the requirements of the City's Affirmative Action Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

N. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by Contractors engaged in the performance of City Contracts.

O. All Contractors subject to the provisions of this article shall include a similar provision in all subcontracts awarded for work to be performed under the Contract with the City and shall impose the same obligations including, but not limited to, filing and reporting obligations, on the Subcontractors as are applicable to the Contractor. Failure of the Contractor to comply with this requirement or to obtain the compliance of its Subcontractors with all such obligations shall subject the Contractor to the imposition of any and all sanctions allowed by law, including, but not limited to, termination of the Contractor's Contract with the City.

#### SECTION HISTORY

Amended by Ord. No. 147,030, Eff. 4-28-75; Subsecs. A., B., C., Ord. No. 164,516, Eff. 4-13-89; Subsecs. B. and C., Ord. No. 168,244, Eff. 10-18-92; Title and Section, Ord. No. 173,186, Eff. 5-22-00; Subsec. F., Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; In Entirety, Ord. No. 184,292, Eff. 6-27-16.

## EXHIBIT J

### SECTION 10.10 OF THE LOS ANGELES ADMINISTRATIVE CODE

#### Section 10.10. Child Support Assignment Orders.

##### a. Definitions.

1. **Awarding Authority** means a subordinate or component entity or person of the City (such as a City department or Board of Commissioners) that has the authority to enter into a contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.

2. **Contract** means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies, or the rendering of any service to the City of Los Angeles or to the public which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

3. **Contractor** means any person, firm, corporation, partnership or any combination thereof which submits a bid or proposal or enters into a contract with any awarding authority of the City of Los Angeles.

4. **Subcontractor** means any person, firm, corporation, partnership or any combination thereof who enters into a contract with a contractor to perform or provide a portion of any contract with the City.

5. **Principal Owner** means any person who owns an interest of 10 percent or more in a contractor or subcontractor as defined herein.

b. **Mandatory Contract Provisions.** Every contract that is let, awarded or entered into with or on behalf of the City of Los Angeles shall contain a provision obligating the contractor or subcontractor to fully comply with all applicable State and Federal employment reporting requirements for the contractor or subcontractor's employees. The contractor or subcontractor will also be required to certify that the principal owner(s) thereof are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§5230 et seq. and that the contractor or subcontractor will maintain such compliance throughout the term of the contract.

Failure of a contractor or subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owner(s) to comply with any Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute a default under the contract. Failure of the contractor or subcontractor or principal owner thereof to cure the

default within 90 days of notice of such default by the City shall subject the contract to termination.

c. **Notice to Bidders.** Each awarding authority shall be responsible for giving notice of the provisions of this ordinance to those who bid on, or submit proposals for, prospective contracts with the City.

d. **Current Contractor Compliance.** Within 30 days of the operative date of this ordinance, the City, through its operating departments, shall serve upon existing contractors a written request that they and their subcontractors (if any) comply with all applicable State and Federal employment reporting requirements for the contractor and subcontractor's employees, that they certify that the principal owner(s) of the contractor and any subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor and subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§5230 et seq. and that the contractor and subcontractor will maintain such compliance throughout the term of the contract.

e. **City's Compliance with California Family Code.** The City shall maintain its compliance with the provisions of California Family Code §§5230 et seq. and all other applicable law regarding its obligations as an employer to implement lawfully served Wage and Earnings Assignments and Notices of Assignment.

f. **Report of Employees' Names to District Attorney.**

1. The City shall maintain its current practice of assisting the District Attorney's support enforcement activities by annually reporting to the Los Angeles County District Attorney the names of all of its employees and retirees so that the District Attorney may identify those employees and retirees subject to Wage and Earnings Assignment Orders and Notices of Assignment and may establish court orders for support, where appropriate. Should the District Attorney so request it, the City will provide such information on a more frequent basis.

2. All applicants for employment with the City of Los Angeles will be asked to acknowledge their responsibility to comply with any court-ordered support obligations and will be advised of the City's practice of assisting the District Attorney as described in the provisions of Subsection f.1., above.

SECTION HISTORY

Added by Ord. No. 172,401, Eff.2-13-99.

## EXHIBIT K

### SECTION 10.48 OF THE LOS ANGELES ADMINISTRATIVE CODE

#### CITY CONTRACTORS' USE OF CRIMINAL HISTORY FOR CONSIDERATION OF EMPLOYMENT APPLICATIONS

##### Section

- 10.48 Purpose.
- 10.48.1 Definitions.
- 10.48.2 Employment Application Procedures.
- 10.48.3 Employer Assessment of Criminal History.
- 10.48.4 Notice and Posting Requirements for Employers.
- 10.48.5 Retaliation Prohibited.
- 10.48.6 Record Retention.
- 10.48.7 Exceptions from Employment Application Procedures.
- 10.48.8 Enforcement.
- 10.48.9 Penalty/Administrative Fine Schedule.
- 10.48.10 Implementation.
- 10.48.11 Conflicts.
- 10.48.12 Promotion of General Welfare.
- 10.48.13 Severability.

##### **Section 10.48. Purpose.**

The City awards many contracts to private firms to provide services to the public and to City government. The City intends that the policies underlying this article serve to guide all of these expenditures of funds to the extent allowed by the law.

Studies show that the disclosure of a criminal conviction by job applicants on application forms often automatically excludes them from consideration of employment regardless of any relationship between the conduct underlying the conviction and the duties and responsibilities of the job, the length of time since the conduct occurred and the risk of the conduct reoccurring on the job. Automatic exclusion of persons with prior criminal convictions from consideration of employment prevents otherwise qualified applicants from obtaining employment and may result in employers hiring less qualified candidates, increases the risk of recidivism of persons so excluded from consideration and disparately impacts persons of certain races and national origin.

In 2013, the State Legislature passed and the Governor signed Assembly Bill No. 218, which amended the State's Labor Code to prevent the State and local governments from seeking disclosure of conviction history from employment applicants until the agency has determined the applicant meets the minimum employment qualifications. In April 2014, the City of Los Angeles implemented AB 218 by removing questions regarding criminal convictions from employment applications, reviewing a job applicant's criminal history only after a position eligibility list is

prepared, and considering, among other things, the relationship between the conviction and the duties of the position.

In November 2015, the President of the United States announced that the federal government and federal contractors could not consider job applicants' criminal convictions in the initial stages of the employment process. Numerous other cities have similarly adopted regulations preventing inquiry into job applicants' criminal history until after it is determined they are qualified for the position.

This ordinance expands the rights afforded applicants for employment with the City's contractors and subcontractors. Specifically, such employers will be prohibited from inquiring into an employment applicant's criminal history unless and until a conditional offer of employment is made to the applicant. An employer that fails to comply with the requirements of this ordinance will be subject to, among other things, termination of its City contract.

#### SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

#### **Section 10.48.1. Definitions.**

The following definitions shall apply to this article:

A. **"Adverse Action"** means an Employer's withdrawal or cancellation of a Conditional Offer of Employment made to an Applicant or a failure or refusal to employ the Applicant.

B. **"Applicant"** means an individual who submits an application or other documentation for Employment.

C. **"Awarding Authority"** means any subordinate or component entity or person of the City, such as a department or Board of Commissioners that has the authority to award or enter into a Contract. This shall not include any department that has control of its own funds under Charter Section 500(c).

D. **"City"** means the City of Los Angeles and all Awarding Authorities.

E. **"Conditional Offer of Employment"** means a Contractor's or Subcontractor's offer of Employment to an Applicant conditioned only on an assessment of the Applicant's Criminal History, if any, and the duties and responsibilities of the Employment position.

F. **"Contract"** means any agreement, franchise, lease, or concession, including agreements for any occasional professional or technical personal services, for the performance of any work or service, the provision of any materials or supplies, or the rendition of any service to the City of Los Angeles or to the public, which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

- G. **“Contractor”** means any Employer that enters into a Contract with the City.
- H. **“Conviction”** means a record from any jurisdiction that includes information indicating that a person has been convicted of a felony or misdemeanor, provided that the conviction is one for which the person has been placed on probation, fined, imprisoned or paroled.
- I. **“Criminal History”** means information regarding one or more Convictions, transmitted orally or in writing or by any other means, and obtained from any source, including, but not limited to, the individual to whom the information pertains and a Criminal History Report.
- J. **“Criminal History Report”** means any criminal history report, including, but not limited to, those produced by the California Department of Justice, the Federal Bureau of Investigation, other law enforcement or police agencies, or courts, or by any consumer reporting agency or business or employment screening agency or business.
- K. **“Designated Administrative Agency”** or **“DAA”** means the Department of Public Works, Bureau of Contract Administration, who shall bear administrative responsibilities under this article.
- L. **“Employee”** means an individual who has Employment with an Employer.
- M. **“Employer”** means any individual, firm, corporation, partnership, labor organization, group of persons, association, or other organization however organized, that enters into a Contract with the City, or a contract with a Contractor or Subcontractor, and that employs ten or more Employees, including the owner or owners and management and supervisory employees. “Employer” does not include any local governmental unit or any unit of the state government or the federal government.
- N. **“Employment”** means any occupation, vocation, job or work performed in the City, including, but not limited to, temporary or seasonal work, part-time work, contracted work, contingent work, work on commission, and work through the services of a temporary or other employment agency, or any form of vocational or educational training with or without pay.
- O. **“Fair Chance Process”** means an opportunity for an Applicant to provide information or documentation to an Employer regarding the accuracy of his/her Criminal History or Criminal History Report or that should be considered in the Employer’s assessment performed pursuant to Section 10.48.3(A), such as evidence of rehabilitation or other mitigating factors.
- P. **“Inquire”** means any direct or indirect conduct intended to gather Criminal History information from or about an Applicant, using any mode of communication, including but not limited to application forms, interviews and Criminal History Reports.
- Q. **“Subcontractor”** means any Employer that enters into a contract with a Contractor or Subcontractor to assist in performing the services to the City under a Contract.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

**Section 10.48.2. Employment Application Procedures.**

A. Contractor or Subcontractor shall not include on any application for Employment any questions that seek the disclosure of an Applicant's Criminal History.

B. Contractor or Subcontractor shall not, at any time or by any means, inquire about or require disclosure of an Applicant's Criminal History unless and until a Conditional Offer of Employment has been made to the Applicant.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

**Section 10.48.3. Employer Assessment of Criminal History.**

A. A Contractor or Subcontractor shall not take an Adverse Action against an Applicant to whom a Conditional Offer of Employment has been made based on an Applicant's Criminal History unless the Contractor or Subcontractor performs a written assessment that effectively links the specific aspects of the Applicant's Criminal History with the risks inherent in the duties of the Employment position sought by the Applicant. In performing the assessment, the Contractor or Subcontractor shall, at a minimum, consider the factors identified by the United States Equal Employment Opportunity Commission and other factors as may be required by rules and guidelines promulgated by the DAA.

B. A Contractor or Subcontractor, prior to taking an Adverse Action against an Applicant, shall provide that person a Fair Chance Process, including the provision of written notification of the proposed Adverse Action, a copy of the written assessment performed pursuant to Section 10.48.3 A. and any other information or documentation supporting the Employer's proposed Adverse Action. The Contractor or Subcontractor shall not take an Adverse Action or fill the Employment position sought by the Applicant for a period of at least five business days after the Applicant is informed of the proposed Adverse Action in order to allow the Applicant to complete the Fair Chance Process. If the Applicant provides the Contractor or Subcontractor with any information or documentation pursuant to the Fair Chance Process, then the Contractor or Subcontractor shall consider the information or documentation and perform a written reassessment of the proposed Adverse Action. If the Contractor or Subcontractor, after performing the reassessment of the proposed Adverse Action, takes an Adverse Action against the Applicant, then the Contractor or Subcontractor shall notify the Applicant of the decision and provide the Applicant with a copy of the written reassessment.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

**Section 10.48.4. Notice and Posting Requirements for Employers.**

A. Contractors and Subcontractors shall state in all solicitations or advertisements seeking Applicants for Employment that they will consider for employment qualified Applicants with Criminal Histories in a manner consistent with the requirements of this article.

B. Contractors and Subcontractors shall post a notice informing Applicants of the provisions of this article in a conspicuous place at every workplace, job site or other location in the City under the Contractor’s or Subcontractor’s control visited by Employment Applicants, and shall send a copy of the notice to each labor union or representative of workers with which they have a collective bargaining agreement or other agreement or understanding that is applicable to Employees in the City.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

**Section 10.48.5. Retaliation Prohibited.**

A. Contractor or Subcontractor shall not discharge, reduce the compensation of, or otherwise take any adverse employment actions against any Employee for complaining to the City with regard to the Contractor’s or Subcontractor’s compliance or anticipated compliance with this article, for opposing any practice proscribed by this article, for participating in proceedings related to this article, for seeking to enforce his or her rights under this article by any lawful means, or for otherwise asserting any rights under this article.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

**Section 10.48.6. Record Retention.**

Contractors and Subcontractors shall retain Applicants’ Employment applications and the written assessment and reassessment performed pursuant to this article for a period of three years following the receipt of an Applicant’s Employment application. Contractors and Subcontractors shall, upon request, provide the records and documents or access to the records and documents to the DAA in an administrative investigation under this article.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

**Section 10.48.7. Exceptions from Employment Application Procedures.**

Sections 10.48.2, 10.48.3 and 10.48.4 A. do not apply in the following circumstances:



A. The Contractor or Subcontractor is required by law to obtain information regarding a Conviction of an Applicant.

B. The Applicant would be required to possess or use a firearm in the course of his or her Employment.

C. An individual who has been convicted of a crime is prohibited by law from holding the position sought by the Applicant, regardless of whether that conviction has been expunged, judicially ordered sealed, statutorily eradicated or judicially dismissed following probation.

D. A Contractor or Subcontractor is prohibited by law from hiring an Applicant who has been convicted of a crime.

#### SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

#### **Section 10.48.8. Enforcement.**

A. An Applicant for Employment or Employee alleging violation of this article may, within one year of the alleged violation, bring a civil action in a court of competent jurisdiction against a Contractor or Subcontractor, and shall be awarded the penalty set forth in this article and any other legal and/or equitable relief as may be appropriate to remedy the violation.

B. Compliance with this article shall be required in all Contracts to which it applies, and each Contract shall provide that violation of this article shall constitute a material breach thereof and entitle the City to terminate the Contract and otherwise pursue available legal remedies.

C. An Applicant for Employment with a Contractor or Subcontractor alleging violation of Sections 10.48.2, 10.48.3 or 10.48.4, or an Employee alleging violation of Section 10.48.4 or 10.48.5 may, within one year of the alleged violation, report the alleged violation to the DAA, which shall investigate the complaint. The Contractor or Subcontractor shall cooperate in such investigation. The DAA, as a part of its investigation, may request the Board of Public Works to issue a subpoena for Contractor or Subcontractor records and documents and for other books, papers, records and other items relevant to the enforcement of this article. Whether based upon a complaint or its own investigation of a violation of any of the provisions of this article, where the DAA has determined that a Contractor or Subcontractor has violated this article, the DAA shall issue a written notice to the Contractor or Subcontractor that the violation is to be corrected within ten days and impose an administrative fine as set forth in this article. In the event that the Contractor or Subcontractor has not demonstrated to the DAA that the Contractor or Subcontractor has timely cured the violation, the DAA may then:

(1) Request the Awarding Authority to declare a material breach of the Contract and exercise its contractual remedies thereunder, which are to include, but not be limited to, termination of the Contract and the return of any monies paid by the City for services not yet rendered;

(2) Request that the Awarding Authority document the determination in the Contractor Evaluation required under Los Angeles Administrative Code Section 10.39, et seq.;

(3) Require that the Contractor document the determination in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40, et seq.; and/or

(4) Request the City Attorney to bring a civil action against the Contractor or Subcontractor seeking an order declaring that the Contractor or Subcontractor violated this article and/or preventing the Contractor or Subcontractor from future violations of this article.

D. The DAA shall establish rules governing the administrative process for investigation and enforcement of alleged violations and appeal of determinations of violations. The rules shall include procedures for: (i) providing notice of an alleged violation to the Contractor or Subcontractor; (ii) providing the Contractor or Subcontractor with the opportunity to respond to the notice; (iii) providing notice to the Contractor or Subcontractor and the Applicant or Employee of the DAA's determination; and (iv) providing the Contractor or Subcontractor and the Applicant or Employee the opportunity to appeal the DAA's determination to a hearing officer. The hearing officer's decision shall constitute the City's final decision, and any review of that decision shall be made by the filing of a petition for writ of mandate in the Superior Court of the County of Los Angeles under Section 1094.5 of the Code of Civil Procedure.

E. The DAA shall maintain a record of the complaints it receives alleging violations of this article and the resolution of complaints. The DAA shall compile a summary of the record of the complaints on an annual basis and report that summary to the Council.

F. Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for violation of this article.

#### SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

#### **Section 10.48.9. Penalty/Administrative Fine Schedule.**

A. Penalties and administrative fines for a Contractor or Subcontractor violation of any provision of this article, other than Sections 10.48.4, 10.48.6 or failure to cooperate under 10.48.8, shall be up to \$500 for the first violation, up to \$1,000 for the second violation and up to \$2,000 for the third and subsequent violations. The penalties and administrative fines for a Contractor or Subcontractor violation of Sections 10.48.4, 10.48.6 or failure to cooperate under 10.48.8 shall not exceed \$500 for each violation.

B. The amount of the penalty or administrative fine imposed may be based on the willfulness of the Contractor's or Subcontractor's action(s) and other material factors as determined by the DAA.

C. For purposes of determining the penalty or administrative fine to be imposed for Contractor or Subcontractor violations of the article may be treated as separate violations and subject to the penalty or administrative fine amounts set forth therein.

D. Administrative fines shall be payable to the City of Los Angeles and due within 30 days from the date of notice to the Employer. The failure of any Employer to pay an administrative fine within 30 days shall result in the assessment of a late fee. The amount of the late fee shall be ten percent of the total amount of the administrative fine assessed for each month the amount is unpaid, compounded to include already accrued late administrative fines that remain unpaid.

E. The failure of any Employer to pay amounts due to the City under this article when due shall constitute a debt to the City. The City may file a civil action or pursue any other legal remedy to collect such money.

F. The amount of the administrative fine paid by a Contractor or Subcontractor for a violation of this article may be awarded by the City to the Applicant or Employee up to a maximum of \$500 per violation.

#### SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

#### **Section 10.48.10. Implementation.**

The DAA shall promulgate guidelines and rules consistent with this article for the implementation of the provisions of this article. Guidelines and rules shall have the force and effect of law.

#### SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

#### **Section 10.48.11. Conflicts.**

Nothing in this article shall be interpreted or applied so as to create any requirement, power or duty in conflict with federal or state law. Specifically, the requirements of this article are not intended to limit, restrict or nullify any duty, right or obligation of an Applicant or an Employer under the Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000e, et seq.), and the enforcement guidelines promulgated by the U.S. Equal Employment Opportunity Commission.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

**Section 10.48.12. Promotion of General Welfare.**

In enacting and implementing this article, the City is assuming an undertaking only to promote the general welfare. The City is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which the City or its officers and employees are liable for any damages, including monetary damages, to any person who claims that such breach proximately caused injury. This article does not create a legally enforceable right against the City.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

**Section 10.48.13. Severability.**

If any part or provision of this article, including, but not limited to, a section, subsection, paragraph, sentence, phrase or word, or the application thereof to any person or circumstance, is held invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remainder of this article. The City Council hereby declares that it would have adopted this article and each and every section, subsection, paragraph, sentence, phrase and word hereof not declared invalid or unconstitutional, without regard to whether any portion of this article would be subsequently declared invalid or unconstitutional.

SECTION HISTORY

Added by Ord. No. 184,653, Eff. 1-22-17.

## **Exhibit B – Fee Letter with US Bank**

**FEE LETTER**  
**DATED JUNE 8, 2022**

Reference is hereby made to that certain (i) Letter of Credit and Reimbursement Agreement, dated as of June 1, 2022 (as the same may be amended, modified and supplemented from time to time, the “*Agreement*”), among the Municipal Improvement Corporation of Los Angeles (“*MICLA*”), the City of Los Angeles (the “*City*”) and U.S. Bank National Association (the “*Bank*”), relating to MICLA’s Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Tax-Exempt Series A-1 and Taxable Series B-1 (collectively, the “*Commercial Paper Notes*”), and (ii) Irrevocable Letter of Credit No. [\_\_\_\_\_], dated June 8, 2022 (as the same may be amended, modified and supplemented from time to time, the “*Letter of Credit*”), issued by the Bank pursuant to the Agreement to support the Commercial Paper Notes. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Letter (this “*Fee Letter*”) is to confirm the agreement among the Bank, MICLA and the City with respect to, among other things, the Applicable Letter of Credit Fees (as defined below) and certain other fees payable to the Bank. This Fee Letter is the Fee Letter referenced in the Agreement. This Fee Letter and the Agreement are to be construed as one agreement among the Bank, MICLA and the City, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Letter.

ARTICLE I. FEES AND OTHER AGREEMENTS.

*Section 1.1. Commitment Fees.* MICLA hereby agrees to pay or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease, quarterly in arrears on each Quarterly Payment Date occurring prior to the Letter of Credit Termination Date, and on the Letter of Credit Termination Date, a non-refundable facility fee (the “*Applicable Letter of Credit Fee*”), for each fee period, commencing on the first day of such quarterly period (or, in the case of the first fee period, the date on which the Letter of Credit is issued), in an amount equal to the product of the rate per annum corresponding to the Level specified below associated with the applicable Rating (as defined below) as specified below (the “*Applicable Letter of Credit Fee Rate*”) multiplied by the Stated Amount (without regard to any temporary reductions thereof), in each case, for each day during each related fee period.

| LEVEL   | S&P/FITCH/KROLL<br>RATING | MOODY’S<br>RATING | APPLICABLE LETTER OF<br>CREDIT FEE RATE |
|---------|---------------------------|-------------------|---|
| Level 1 | A+ or above               | A1 or above       | 28.0 bps                                |
| Level 2 | A                         | A2                | 43.0 bps                                |
| Level 3 | A-                        | A3                | 63.0 bps                                |
| Level 4 | BBB+                      | Baa1              | 83.0 bps                                |

| LEVEL   | S&P/FITCH/KROLL<br>RATING | MOODY'S<br>RATING | APPLICABLE LETTER OF<br>CREDIT FEE RATE |
|---------|---------------------------|-------------------|---|
| Level 5 | BBB                       | Baa2              | 108.0 bps                               |
| Level 6 | BBB- or below             | Baa3 or below     | 133.0 bps                               |

In the event that any Rating is suspended or withdrawn by any Rating Agency for credit related reasons or the City ceases to maintain at least two Ratings, the Applicable Letter of Credit Fee Rate then in effect shall immediately be increased by an additional one percent (1.00%). If, at any time, an Event of Default shall have occurred and be continuing under the Agreement, the Applicable Letter of Credit Fee Rate then in effect shall immediately be increased, without notice to MICLA or the City, by an additional one percent (1.00%) for so long as such Event of Default is continuing. The term "Rating" as used above shall mean the long-term ratings assigned by any of Fitch, Kroll, Moody's and S&P to the City's unenhanced Lease Obligation Debt and (i) if Ratings are in effect from four Rating Agencies and such Ratings are not equivalent, the Letter of Credit Fee Rate shall be based upon the Level in which the second lowest Rating appears (it being understood that Level 1 contains the highest Ratings and Level 6 contains the lowest Ratings) and (ii) if Ratings are in effect from three or less Rating Agencies, the Letter of Credit Fee Rate shall be based upon the Level in which the lowest Rating appears (it being understood that Level 1 contains the highest Ratings and Level 6 contains the lowest Ratings). Any change in the Applicable Letter of Credit Fee Rate resulting from a change in any Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as presently determined by the rating agencies and in the event of adoption of any new or changed rating system or a "global" rating scale by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. MICLA acknowledges, and the Bank agrees that, as of the Date of Issuance, the Applicable Letter of Credit Fee Rate is that specified above for Level 1. The Applicable Letter of Credit Fees shall be payable quarterly in arrears, together with interest thereon, from the date payment is due until payment in full at the Default Rate. The Applicable Letter of Credit Fees shall be payable in immediately available funds and computed on the basis of a year of 360 days and days actually elapsed. As long as the Letter of Credit has not terminated, MICLA covenants and agrees to cause the City to maintain at least two Ratings.

*Section 1.2. Draw Fees.* MICLA hereby agrees to pay or cause to be paid to the Bank, from Additional Rental paid by the City under the Sublease, quarterly in arrears on each Quarterly Payment Date occurring prior to the Letter of Credit Termination Date, and on the Letter of Credit Termination Date, a non-refundable fee of \$250 for each Drawing under the Letter of Credit during such quarterly period; *provided, however,* that MICLA shall not be required to pay more than \$2,500 in draw fees during any calendar year.

*Section 1.3. Amendment and Transfer Fee.* MICLA agrees to pay, or cause to be paid, to the Bank, from Additional Rental paid by the City under the Sublease, on the date of each amendment or modification of the Agreement, this Fee Letter or Letter of Credit, a fee of \$2,500,

plus the reasonable fees and expenses of counsel to the Bank; *provided, however*, that no amendment fee shall be due in connection with an extension of the Stated Expiration Date. Upon each transfer of the Letter of Credit in accordance with its terms or the appointment of a successor Issuing and Paying Agent under the Issuing and Paying Agent Agreement, MICLA agrees to pay the Bank a non-refundable transfer fee in an amount equal to \$2,500, and to reimburse the Bank for its actual costs and expenses associated with such transfer or appointment (including, without limitation, the reasonable fees and expenses of counsel to the Bank), payable on the date of such transfer or appointment.

*Section 1.4. Termination Fee.* (a) Notwithstanding any other provision of the Agreement or this Fee Letter to the contrary, MICLA and the City agree not to terminate or replace the Letter of Credit prior to the first anniversary of the Date of Issuance, except upon (i) the payment by MICLA to the Bank of the Termination Fee as described below, (ii) in the case of replacement of the Letter of Credit, the payment by MICLA to the Bank of all Obligations payable under the Agreement and this Fee Letter and (iii) MICLA providing the Bank with prior written notice of its intent to terminate or replace the Letter of Credit as and to the extent required by Section 2.13 of the Agreement; *provided*, that any such termination of the Letter of Credit shall be in compliance with the terms and conditions of the Trust Agreement and the Agreement; *provided, further*, that no Termination Fee shall become payable if the Letter of Credit is terminated or replaced as a result of (i) a withdrawal, suspension or reduction of the Bank's senior unsecured short-term ratings below "P-1," "F1" or "A-1," respectively, by Moody's, Fitch or S&P (*provided*, that for the avoidance of doubt, the ratings referenced in this clause (i) shall mean those ratings assigned to U.S. Bank National Association and not ratings assigned to U.S. Bank National Association's parent or holding company or any other affiliate of the Bank), (ii) the payment in full or refunding of the Commercial Paper Notes with long-term debt that does not require a letter of credit, liquidity facility or credit enhancement and is not a direct purchase by a bank or other financial institution or (iii) the Bank having imposed increased costs upon MICLA and the City pursuant to Section 2.8 of the Agreement.

(b) MICLA hereby agrees to pay to the Bank, from Additional Rental paid by the City under the Sublease, a Termination Fee in connection with the termination or replacement of the Letter of Credit by MICLA as set forth in Section 1.4(a) hereof in an amount equal to the product of (A) the Applicable Letter of Credit Fee Rate in effect pursuant to Section 1.1 hereof on the date of termination, (B) the Original Stated Amount, and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the first anniversary of the Date of Issuance and the denominator of which is 360 (the "*Termination Fee*"), payable on the date the Letter of Credit is terminated or replaced.

## ARTICLE II. MISCELLANEOUS.

*Section 2.1. Out-of-Pocket Expenses.* MICLA shall pay, or cause to be paid, on the Closing Date the fees and disbursements of Chapman and Cutler LLP, special counsel to the Bank in the amount of \$\_\_\_\_\_, in connection with the negotiation, preparation and execution of this Agreement and the other documents described herein.



*Section 2.2. Amendments.* No amendment to this Fee Letter shall become effective without the prior written consent of MICLA, the City and the Bank.

*Section 2.3. Governing Law.* THIS FEE LETTER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

*Section 2.4. Counterparts.* This Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument; and any of the parties hereto may execute this Fee Letter by signing any such counterpart. This Fee Letter may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

*Section 2.5. Severability.* Any provision of this Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

*Section 2.6. No Disclosure.* Unless required by law, rule, regulation or administrative or judicial process neither MICLA nor the City shall deliver or permit, authorize or consent to the delivery of this Fee Letter to any Person for delivery to the Municipal Securities Rulemaking Board unless the Bank provides its prior written consent.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

MUNICIPAL IMPROVEMENT CORPORATION OF  
LOS ANGELES

By: \_\_\_\_\_  
Name: Ha To  
Title: Assistant Secretary and Assistant  
Treasurer

CITY OF LOS ANGELES

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

APPROVED AS TO FORM:

MICHAEL N. FEUER, CITY ATTORNEY

By: \_\_\_\_\_  
Name: Gerald Kim  
Title: Deputy City Attorney

U.S. BANK NATIONAL ASSOCIATION

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

## **Exhibit C – Offering Memorandum**

OFFERING MEMORANDUM DATED JUNE [ ], 2022

In the opinion of Nixon Peabody LLP, as Special Tax Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Series A Commercial Paper Notes (defined below) when issued in accordance with a Tax and Nonarbitrage Certificate (a “Tax Certificate”), is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Special Tax Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Series B Commercial Paper Notes (defined below) is not excluded from gross income for federal income tax purposes. Special Tax Counsel is further of the opinion that interest on the Commercial Paper Notes (defined below) is exempt from personal income taxes of the State of California (“State”) under present State law. See “TAX MATTERS” herein.



Up to \$100,000,000  
MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES  
LEASE REVENUE COMMERCIAL PAPER NOTES  
(LOS ANGELES CONVENTION CENTER),  
TAX-EXEMPT SERIES A-1 AND TAXABLE SERIES B-1

This Offering Memorandum has been prepared for use by J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC (collectively, the “Dealers” and each, a “Dealer”) by the Municipal Improvement Corporation of Los Angeles (the “Corporation”), and contains certain information regarding the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Tax-Exempt Series A-1 (the “Tax-Exempt Series A-1 Commercial Paper Notes”) and Taxable Series B-1 (the “Taxable Series B-1 Commercial Paper Notes”) and together with the Tax-Exempt Series A-1 Commercial Paper Notes, the “Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes”).

U.S. Bank National Association (the “Tax-Exempt Series A-1/Taxable Series B-1 Bank”) will issue its irrevocable direct-pay letter of credit (as amended from time to time, the “Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit”) which may be drawn upon from time to time in respect of the principal and actual interest accrued on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. Timely payment of the principal and actual interest accrued on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes is dependent upon the availability of proceeds of drawings under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit, and accordingly, this Offering Memorandum does not contain information relating to the ability of the City to make Base Rental (as defined herein) payments. **The investment decision to purchase the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes should be made solely on the basis of the creditworthiness of the Tax-Exempt Series A-1/Taxable Series B-1 Bank, rather than the City.** Prospective investors should not rely on any source other than proceeds of drawings under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit to pay the principal and actual interest accrued on Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. If, for any reason, the Tax-Exempt Series A-1/Taxable Series B-1 Bank fails to honor a properly presented and conforming drawing under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit, the principal and actual interest accrued on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes may not be paid when due, and the City would have no obligation to make any payments with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes apart from the City’s obligation to make Base Rental (as defined herein) payments as and when due, as more particularly described herein. The ratings assigned to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes are based on the creditworthiness of the Tax-Exempt Series A-1/Taxable Series B-1 Bank. See “RATINGS” herein.

Certain legal matters in connection with the authorization and issuance of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes are subject to the approval of Hawkins Delafield & Wood LLP, Los Angeles, California, Note Counsel. Certain legal matters will be passed upon for the Corporation and the City by Nixon Peabody LLP, San Francisco, California, Special Tax Counsel. Certain legal matters will be passed on by Hawkins Delafield & Wood LLP, Los Angeles, California, as disclosure counsel to the City, and for the City and the Corporation by Michael N. Feuer, City Attorney. Certain legal matters relating to the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and the Tax-Exempt Series A-1/Taxable Series B-1

J.P. Morgan

Morgan Stanley

As Dealers

*Reimbursement Agreement will be passed upon for the Tax-Exempt Series A-1/Taxable Series B-1 Bank by Chapman and Cutler LLP, Chicago, Illinois, Special Counsel to the Tax-Exempt Series A-1/Taxable Series B-1 Bank. KNN Public Finance, LLC, Oakland, California, and Montague DeRose and Associates, LLC, Westlake Village, California, are serving as Co-Financial Advisors to the City in connection with the authorization and issuance of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes.*

*All references to the documents and other materials are qualified in their entirety by reference to the complete provisions of the documents and other materials referenced. The Dealers have provided the following sentence for inclusion in this Offering Memorandum. The Dealers have reviewed the information in this Offering Memorandum in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Dealers do not guarantee the accuracy or completeness of such information. A wide variety of other information, including financial information, concerning the City of Los Angeles (the "City"), is available from publications and websites of the City, the County of Los Angeles and others. Any such information that is inconsistent with the information set forth in this Offering Memorandum should be disregarded. No such information is a part of or incorporated into this Offering Memorandum, except as expressly noted.*

*The information and expressions of opinion in this Offering Memorandum shall not otherwise create any implication that there has been no change in the matters referred to in this Offering Memorandum since June [\_\_], 2022. Neither the information nor any opinion contained or expressed herein constitutes a solicitation by the Dealers of the purchase or sale of any instruments. The information contained herein will not typically be distributed or updated upon each new sale of any Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, although such information will be distributed from time to time. Further, the information herein is not intended as substitution for the investors' own inquiry into the creditworthiness of the Tax-Exempt Series A-1/Taxable Series B-1 Bank, and investors are encouraged to make such inquiry.*

*No dealer, broker, salesperson or other person has been authorized by the Dealers, the Corporation or the City to give any information or to make any representations other than those contained herein, and if given or made, such other information or representation must not be relied upon as having been authorized by the Dealers, the Corporation or the City.*

*The information relating to the Tax-Exempt Series A-1/Taxable Series B-1 Bank set forth under the heading "LETTER OF CREDIT BANK," other than the introductory paragraph thereunder, has been provided by the Tax-Exempt Series A-1/Taxable Series B-1 Bank and has not been independently confirmed or verified by the Dealers, the Corporation or the City. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date.*

*This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale. This Offering Memorandum is not to be construed as a contract with the purchasers of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. Statements contained in this Offering Memorandum which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.*

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## THE COMMERCIAL PAPER NOTES

### General

The Municipal Improvement Corporation of Los Angeles (the “Corporation”) has entered into an Amended and Restated Trust Agreement, dated as of June 1, 2019 (as amended and supplemented from time to time, the “Trust Agreement”), with the City of Los Angeles (the “City”) and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), and has entered into an Amended and Restated Issuing and Paying Agent Agreement, dated as of June 1, 2019 (as amended and supplemented from time to time, the “Issuing and Paying Agent Agreement”), with the City and U.S. Bank Trust Company, National Association, as successor issuing and paying agent (the “Issuing and Paying Agent”), pursuant to which the Corporation is authorized to issue its Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Tax-Exempt Series A-1 (the “Tax-Exempt Series A-1 Commercial Paper Notes”) and its Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Taxable Series B-1 (the “Taxable Series B-1 Commercial Paper Notes” and together with the Tax-Exempt Series A-1 Commercial Paper Notes, the “Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes”).

Pursuant to the Trust Agreement and the Issuing and Paying Agent Agreement, the Corporation may issue from time to time the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes in a maximum aggregate principal amount of \$100,000,000, and from time to time, any other Series or Subseries of Commercial Paper Notes designated under a Supplemental Trust Agreement (collectively with the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, the “Commercial Paper Notes”), for the purpose of providing moneys, among other things (i) to finance or refinance the costs of working capital and the acquisition, construction, development, financing and refinancing of improvements to the Convention Center available to or for the benefit of the public, the City or any one or more departments, commissions or agencies of the City, and includes, without limitation, such other costs, whether or not specified herein, as may be necessary or incidental to the acquisition, construction, development, financing or refinancing of such improvements to the Convention Center and any improvements thereto and the placing of the same in operation, and such other costs and expenses for changes, alterations and additions to such improvements to the Convention Center requested by the Corporation or the City, (ii) to pay Commercial Paper Notes (and interest thereon), directly or indirectly, issued pursuant to the provisions hereof, including without limitation, to fund capitalized interest on the Notes; and (iii) to pay costs incurred in connection with the issuance, sale and delivery of the Commercial Paper Notes from time to time, including without limitation to fund Capitalized Fees and Expenses.

Such other Series or Subseries of Commercial Paper Notes designated under a Supplemental Trust Agreement are not being sold pursuant to this Offering Memorandum.

Principal of and interest on the Commercial Paper Notes shall be payable at maturity in lawful money of the United States of America in immediately available funds at the designated corporate trust office of the Issuing and Paying Agent to the Owner (as defined below) thereof.

U.S. Bank National Association (the “Tax-Exempt Series A-1/Taxable Series B-1 Bank”) will issue its irrevocable direct-pay letter of credit (as amended from time to time, the “Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of June 1, 2022 (the “Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement”), by and among the Corporation, the City and the Tax-Exempt Series A-1/Taxable Series B-1 Bank. The Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit may be drawn upon from time to



time in respect of the principal and accrued interest on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes payable upon their maturity. Timely payment of the principal and actual interest accrued on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes is dependent upon the availability of proceeds of drawings under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit, and accordingly, this Offering Memorandum does not contain information relating to the ability of the City to make Base Rental (as defined herein) payments. **The investment decision to purchase the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes should be made solely on the basis of the creditworthiness of the Tax-Exempt Series A-1/Taxable Series B-1 Bank, rather than the City.** Prospective investors should not rely on any source other than proceeds of drawings under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit to pay the principal and actual interest accrued on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. If, for any reason, the Tax-Exempt Series A-1/Taxable Series B-1 Bank fails to honor a properly presented and conforming drawing under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit, the principal and actual interest accrued on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes may not be paid when due, and the City would have no obligation to make any payments with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes apart from the City's obligation to make Base Rental (as defined herein) payments as and when due, as more particularly described herein. The ratings assigned to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes are based on the creditworthiness of the Tax-Exempt Series A-1/Taxable Series B-1 Bank. See "RATINGS" herein.

Principal of and interest on the Commercial Paper Notes are payable from the proceeds of Commercial Paper Notes issued to pay such principal and interest and are also payable from Base Rental Payments to be made by the City pursuant to an Amended and Restated Sublease, dated as of June 1, 2019 (as amended and supplemented from time to time, the "Sublease"), by and between the Corporation, as sublessor, and the City, as sublessee. See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES." The payment of principal of and interest on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes is further supported by the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit (defined below), the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit which is a Credit Facility (defined below) under the Trust Agreement. See "TAX-EXEMPT SERIES A-1/TAXABLE SERIES B-1 LETTER OF CREDIT." Any other Series or Subseries of Commercial Paper Notes designated under a Supplemental Trust Agreement will be supported by a separate irrevocable letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility.

The Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes are authorized in a maximum aggregate principal amount outstanding at any one time of up to \$100,000,000. Under the Trust Agreement, the Corporation may on any date, upon compliance with the terms of the Trust Agreement, execute and the Issuing and Paying Agent shall authenticate and, at the request of the Corporation, shall deliver a Subseries of Commercial Paper Notes, (a) the aggregate principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of which, together with the aggregate principal amount (or face amount in the case of any other Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of any other Subseries of Commercial Paper Notes Outstanding immediately after such issuance that are supported by the same Credit Facility, plus interest accrued or to accrue on all such Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility that are not issued at a discount to the stated maturity thereof, will not exceed the amount then available to be drawn under the applicable Credit Facility and (b) the aggregate principal amount (or face amount in the case of Series B Commercial Paper Notes issued at a discount) of which, together with the aggregate principal amount of all Outstanding Commercial Paper Notes plus the amount of any Advances then outstanding under the Revolving Notes, will not exceed the Maximum Principal Amount calculated as of such date. The

Commercial Paper Notes may be issued and sold and delivered from time to time in such principal amounts as determined by a Corporation Representative in authorized denominations of \$100,000 and integral multiples of \$1,000 in excess thereof and in book-entry form through the book-entry system of The Depository Trust Company, New York, New York (“DTC”) as described below. The Commercial Paper Notes shall bear interest at a rate not in excess of 10% per annum. Interest on the Commercial Paper Notes is payable on their respective maturity dates. The Commercial Paper Notes shall mature not more than 270 days after the date of issuance, and in no event later than five days prior to the stated expiration or termination date of the applicable Credit Facility, unless the Corporation shall have arranged for an Alternate Credit Facility with respect to such Subseries of the Commercial Paper Notes. The Commercial Paper Notes shall not be subject to redemption prior to maturity. The Commercial Paper Notes herein authorized shall be dated as of their date of issuance and shall bear interest at such rate or rates per annum computed on the basis of actual days elapsed and on a 365-day or 366-day year, whichever is applicable, as may be determined by a Corporation Representative or, upon the written direction of a Corporation Representative or the applicable Dealer; provided, however, that in no event shall the interest rate or effective yield to maturity exceed the Maximum Interest Rate. The Commercial Paper Notes may be sold in such manner at public or private sale and at par or, solely with respect to Series B Commercial Paper Notes, at a discount as a Corporation Representative shall approve at the time of the sale thereof. Series A Commercial Paper Notes shall be interest bearing (and not issued and sold at a discount). Series B Commercial Paper Notes may be issued and sold at a discount or may be interest bearing.

As used herein, the following terms shall have the meanings set forth below:

“Advance” means, with respect to a Subseries of Commercial Paper Notes, each advance or loan (whether a revolving loan or term loan) of funds made under and/or subject to the provisions contained in the applicable Credit Facility and the applicable Reimbursement Agreement with respect to such Subseries of Commercial Paper Notes.

“Alternate Credit Facility” means, with respect to a Subseries of Commercial Paper Notes, an irrevocable letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by an Alternate Bank to facilitate the timely payment of the principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of and accrued interest due and payable at the stated maturity of such Subseries of Commercial Paper Notes in accordance with the provisions of the Trust Agreement, as such alternate credit facility may be amended or supplemented from time to time.

“Bank” or “related Bank” or “Banks” means, individually and collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, the Tax-Exempt Series A-1/Taxable Series B-1 Bank or upon delivery of an Alternate Credit Facility with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, any Alternate Bank issuing an Alternate Credit Facility with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes; and (ii) with respect to one or more Subseries of Commercial Paper Notes, a provider or providers of a Credit Facility with respect to such Subseries of Commercial Paper Notes or upon delivery of an Alternate Credit Facility with respect to such Subseries of Commercial Paper Notes, any Alternate Bank issuing an Alternate Credit Facility with respect to such Subseries of Commercial Paper Notes.

“Commercial Paper Notes” means, collectively, the Series A-1 Commercial Paper Notes, the Series B-1 Commercial Paper Notes, and any other Series or Subseries of Commercial Paper Notes designated under a Supplemental Trust Agreement.

“Credit Facility” or “applicable Credit Facility” or “Credit Facilities” means, individually and collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and, upon the issuance of any Alternate Credit Facility with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, such Alternate Credit Facility; and (ii) with respect to one or more Subseries of Commercial Paper Notes, an irrevocable direct-pay letter of credit, a line or lines of credit, a noncancellable insurance policy or other credit facility provided by a provider or providers to facilitate the timely payment of the principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of and accrued interest due and payable at the stated maturity of such Subseries of Commercial Paper Notes, including any amendments thereto and, upon the issuance of any Alternate Credit Facility with respect to such Subseries of Commercial Paper Notes, such Alternate Credit Facility.

“Depository” means The Depository Trust Company, New York, New York, and its successors and assigns, or if (a) the Depository resigns from its functions as securities depository of the Commercial Paper Notes, or (b) the Corporation discontinues use of the Depository pursuant to the Trust Agreement, any other securities depository which agrees to follow procedures required to be followed by a securities depository in connection with the Commercial Paper Notes and which is selected by the Corporation with the consent of the Trustee.

“Funding Commitment” means, with respect to a Bank, the then available stated amount of its respective Credit Facility plus the principal amount of Advances evidenced by its Revolving Note.

“Maximum Interest Rate” means, with respect to the Commercial Paper Notes, 10% per annum.

“Maximum Principal Amount” means, as of any date of calculation, the amount set forth in Exhibit B to the Sublease as the Maximum Principal Amount for the Base Rental Period during which such date of calculation occurs, or, if less, the greatest principal amount of Commercial Paper Notes plus the amount of any Advances outstanding under the Revolving Notes which, if it bore interest at the Maximum Interest Rate and principal and such interest were payable annually as provided in the Sublease (commencing on the first day of the first Base Rental Period to commence after the date of calculation), could be fully retired from amounts then payable by the City as Maximum Base Rental (as adjusted pursuant to the Sublease) during the remaining term of the Sublease.

“New Tier Two Termination Date” with respect to a Subseries of the Commercial Paper Notes means a date not sooner than the earlier of (a) the 15th day following receipt of the New Tier Two Termination Notice or (b) the original Tier Two Termination Date.

“New Tier Two Termination Notice” with respect to a Subseries of the Commercial Paper Notes means a written notice from the related Bank to the Corporation, the City and the Issuing and Paying Agent not to authenticate and deliver any additional Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility with a stated maturity date later than the New Tier Two Termination Date and instructing the Issuing and Paying Agent to make the final drawing under the applicable Credit Facility on the New Tier Two Termination Date and notifying the Issuing and Paying Agent of the termination of such Credit Facility on the New Tier Two Termination Date.

“Nominee” means Cede & Co. or such other nominee of the Depository (which may be the Depository) as determined from time to time pursuant hereto.

“Note” means any Commercial Paper Note or any Revolving Note, and “Notes” means the Commercial Paper Notes and the Revolving Notes.

“Outstanding” means, when used as of any particular time with respect to any Commercial Paper Notes, as the context requires, such Commercial Paper Notes theretofore issued by the Corporation under the Trust Agreement, except: (a) Commercial Paper Notes theretofore cancelled or delivered to the Issuing and Paying Agent for cancellation and, in all cases, with the intent to extinguish the debt represented thereby; and (b) Commercial Paper Notes in lieu of, or in substitution for, which other Commercial Paper Notes have been issued and delivered under the Trust Agreement; and (c) Commercial Paper Notes with respect to which all liability of the Corporation shall have been discharged in accordance with the Trust Agreement.

“Owner” whenever used with respect to a Commercial Paper Note, means the Person in whose name such Commercial Paper Note is registered or if such Commercial Paper Note is not in registered form, the Person who is the bearer thereof; provided, that so long as any Master Note is issued and outstanding, then, with respect to the Commercial Paper Notes, it means the Depository or its Nominee.

“Pro Rata Basis” means, as between Subseries of the Commercial Paper Notes, allocated among Subseries based on each such Subseries Pro Rata Share.

“Pro Rata Share” means, with respect to a Subseries of the Commercial Paper Notes, a portion equal to a fraction the numerator of which is the aggregate principal amount of such Subseries of the Commercial Paper Notes Outstanding at such time and/or the aggregate principal amount of outstanding Advances evidenced by the related Revolving Notes, as applicable, and the denominator of which is the aggregate principal amount of all Commercial Paper Notes Outstanding at such time and/or the aggregate principal amount of outstanding Advances evidenced by all Revolving Notes, as applicable.

“Reimbursement Agreement” or “applicable Reimbursement Agreement” or “Reimbursement Agreements” means, individually and collectively, as applicable: (i) with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes and the related Revolving Note, the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement, together with any related fee letter agreement, each by and among the Corporation, the City and the Tax-Exempt Series A-1/Taxable Series B-1 Bank, as the same may be amended, supplemented or otherwise modified from time to time or other agreement executed from time to time in connection with the delivery of an Alternate Credit Facility with respect to such Subseries of the Commercial Paper Notes; and (ii) with respect to one or more Subseries of the Commercial Paper Notes and the related Revolving Note, that certain Letter of Credit and Reimbursement Agreement, together with any related fee letter agreement, each by and among the Corporation, the City and the provider or providers of a Credit Facility with respect to such Subseries of Commercial Paper Notes, as the same may be amended, supplemented or otherwise modified from time to time or other agreement executed from time to time in connection with the delivery of an Alternate Credit Facility with respect to such Subseries of the Commercial Paper Notes.

“Revolving Note” or “related Revolving Note” or “Revolving Notes” means, individually and collectively, as applicable, with respect to a Subseries of the Commercial Paper Notes, any promissory note or promissory notes issued pursuant to the provisions of the Trust Agreement and the applicable Reimbursement Agreement in evidence of Advances made by the related Bank under the applicable Reimbursement Agreement, having the terms and characteristics contained therein and issued in accordance therewith.

“Series A Commercial Paper Notes” means, collectively, all Subseries of the Series A Commercial Paper Notes, including but not limited to the Tax-Exempt Series A-1 Commercial Paper Notes.

“Series B Commercial Paper Notes” means, collectively, all Subseries of the Series B Commercial Paper Notes, including but not limited to the Taxable Series B-1 Commercial Paper Notes.

“Tier One Stop Issuance Instruction” with respect to a Subseries of the Commercial Paper Notes means a written instruction from the related Bank to the Corporation, the City and the Issuing and Paying Agent not to authenticate and deliver any additional Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility.

“Tier One Final Drawing Notice” with respect to a Subseries of the Commercial Paper Notes means a written notice from the related Bank to the Corporation, the City and the Issuing and Paying Agent not to authenticate and deliver any additional Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility and instructing the Issuing and Paying Agent to make the final drawing under the applicable Credit Facility and notifying the Issuing and Paying Agent of the termination date of such Credit Facility.

“Tier Two Termination Date” with respect to a Subseries of the Commercial Paper Notes means the 120th day following receipt of the Tier Two Termination Notice.

“Tier Two Termination Notice” with respect to a Subseries of the Commercial Paper Notes means a written notice from the related Bank to the Corporation, the City and the Issuing and Paying Agent not to authenticate and deliver any additional Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility with a stated maturity date later than the Tier Two Termination Date and instructing the Issuing and Paying Agent to make the final drawing under the applicable Credit Facility on the Tier Two Termination Date and notifying the Issuing and Paying Agent of the termination of such Credit Facility on the Tier Two Termination Date.

All capitalized terms herein that are not otherwise defined shall have the meanings agreed thereto in the Trust Agreement, the Sublease, the Site Lease, the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement, as applicable.

*Limitation on Issuance.* Pursuant to the Trust Agreement, the Corporation has covenanted and agreed that it shall not issue any Commercial Paper Notes with a maturity later than five days prior to the stated expiration or termination date of the applicable Credit Facility unless the Corporation shall have arranged for an Alternate Credit Facility pursuant to the provision of the Trust Agreement described below.

*Maintenance of Credit Facilities.* Pursuant to the Trust Agreement, the Corporation has covenanted and agreed that at all times while Commercial Paper Notes remain Outstanding, it will maintain a Credit Facility with respect to each Subseries of the Commercial Paper Notes in amounts such that, assuming that all then Outstanding Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility were to become due and payable immediately, the amount available for borrowing under the applicable Credit Facility would be sufficient to pay the principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of and accrued interest due and payable at the stated maturity of all such Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility; *provided, however,* that the Corporation may in accordance with the terms of the applicable Reimbursement Agreement replace such Credit Facility with an Alternate Credit Facility on any date that all Outstanding Commercial Paper Notes of the applicable Subseries supported by such Credit Facility mature upon five (5) days prior written notice to the applicable Dealers, the Trustee and the Issuing and Paying Agent (such notice to the Trustee including a written direction from the Corporation to the Trustee to immediately

disseminate notice of the replacement of such Credit Facility to the Owners of Outstanding Commercial Paper Notes of the applicable Subseries supported by such Credit Facility) and the Issuing and Paying Agent shall draw on the Credit Facility being replaced (and not upon any Alternate Credit Facility replacing such Credit Facility) as needed to pay the principal of and accrued interest on all Outstanding Commercial Paper Notes of the applicable Subseries supported by such Credit Facility maturing on such date. No Commercial Paper Note shall be issued if, immediately after the issuance thereof and the application of any proceeds thereof to reimburse the related Bank for any Advances made to retire other Commercial Paper Notes supported by such Credit Facility, the aggregate principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of and accrued interest due and payable at the stated maturity of all Commercial Paper Notes of the applicable Subseries supported by such Credit Facility would exceed the amount then available to be drawn under such Credit Facility. In furtherance of the foregoing covenant, the Corporation has covenanted and agreed that it will not issue any Commercial Paper Notes or make any borrowing which will result in a violation of such covenant, will not amend any Credit Facility in a manner which will cause a violation of such covenant and, if and to the extent necessary to maintain compliance with such covenant, will arrange for an Alternate Credit Facility prior to, or contemporaneously with, the expiration of any Credit Facility.

*Issuance and Sale of Commercial Paper Notes.* At any time after the execution of the Trust Agreement, the Corporation may determine to issue Commercial Paper Notes. Commercial Paper Notes of a Subseries issued for the purpose of funding a Project shall be issued in accordance with written instructions of a Corporation Representative, substantially in the form attached to the Trust Agreement, delivered to the Issuing and Paying Agent by facsimile (or may be given telephonically or by e-mail with confirmation of receipt). Said instructions: (a) shall specify such principal amounts, dates of issue, purchase price, maturities, rates of interest and other terms and conditions which are hereby authorized and permitted to be fixed by a Corporation Representative at the time of sale of such Commercial Paper Notes; provided that Series A Commercial Paper Notes shall only be issued as interest bearing (and not issued and sold at a discount); (b) so long as the Corporation uses the book-entry system with respect to the Commercial Paper Notes, shall include a request to the Issuing and Paying Agent to debit the purchaser's account at the Depository against credit to the Issuing and Paying Agent's account at the Depository which purchase shall then be recorded on the books and records of the Issuing and Paying Agent maintained with respect to each Master Note; (c) if the Corporation is no longer using the book-entry system with respect to the Commercial Paper Notes, shall include a request that the Issuing and Paying Agent authenticate such Commercial Paper Notes by countersignature of its authorized officer or employee and deliver them to the named purchaser or purchasers thereof upon receipt of payment in accordance with the custom then prevailing in the New York financial market in regard to such Commercial Paper Notes, and the rules of the New York Clearinghouse shall apply thereto; (d) shall contain provisions representing that all action on the part of the Corporation necessary for the valid issuance of such Commercial Paper Notes then to be issued has been taken, that all provisions of California law necessary for the valid issuance of such Commercial Paper Notes with provision for interest exemption from California personal income taxation have been complied with, that all provisions of federal law for the valid issuance of such Commercial Paper Notes with provision for the exclusion of interest on any Series A Commercial Paper Notes from gross income for federal income tax purposes have been complied with, and that such Commercial Paper Notes in the possession of the Owners thereof will be valid and enforceable obligations of the Corporation according to their terms, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted; and (e) shall also certify that:

(i) each of the following conditions has been satisfied:

(A) a Dealer Agreement or Dealer Agreements shall be in full force and effect providing for the marketing of all such Commercial Paper Notes Outstanding immediately upon such issuance;

(B) the interest rate on such Commercial Paper Notes shall not exceed the Maximum Interest Rate;

(C) a Credit Facility or Credit Facilities shall be in full force and effect with respect to such Commercial Paper Notes and any other Subseries of Commercial Paper Notes Outstanding immediately after such issuance that are supported by the same Credit Facility in an amount sufficient to pay the aggregate principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of all such Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility Outstanding immediately after such issuance, and interest accrued or to accrue on all such Commercial Paper Notes of the applicable Subseries supported by the same Credit Facility Outstanding that are not issued at a discount through the maturity dates thereof;

(D) (I) the Corporation shall have received an opinion from Note Counsel that such Commercial Paper Notes, when issued from time to time as provided in the Trust Agreement and the Issuing and Paying Agent Agreement, will constitute the valid and binding limited obligations of the Corporation and shall not have received advice from Note Counsel subsequent to the issuance of such opinion to the contrary, (II) in the case of Series B Commercial Paper Notes, the Corporation shall have received an opinion from Special Tax Counsel that the interest on such Commercial Paper Notes, when issued from time to time, will be exempt from California personal income tax and shall not have received advice from Special Tax Counsel subsequent to the issuance of such opinion to the contrary; and (III) in the case of Series A Commercial Paper Notes, the Corporation shall have received an opinion from Special Tax Counsel that interest on such Series A Commercial Paper Notes proposed to be issued will be exempt from California personal income tax and will be excluded from gross income for federal income tax purposes and shall not have received advice from Special Tax Counsel subsequent to the issuance of such opinion to the contrary;

(E) the aggregate principal amount (or face amount in the case of Series B Commercial Paper Notes issued at a discount) of which, together with the aggregate principal amount of all Outstanding Commercial Paper Notes plus the amount of any Advances then outstanding under the Revolving Notes, immediately after the issuance of such Commercial Paper Notes, shall not exceed the Maximum Principal Amount calculated as of the date of such issuance;

(F) if the issuance of such Commercial Paper Notes is for a purpose other than to pay the principal of and interest on maturing Commercial Paper Notes (or to reimburse the related Bank for Advances made to pay such amounts), the Corporation shall have issued to the City a Debt Service Certificate — Additional Commercial Paper Notes reflecting the issuance of such Commercial Paper Notes and the City shall have complied with the provisions of the Sublease with respect to the related Minimum Supplemental Rental Payment or the alternative to payment of such Minimum Supplemental Rental Payment; and

(G) the Corporation, the City and the Issuing and Paying Agent shall not have received a Tier One Stop Issuance Instruction or Tier One Final Drawing Notice with respect to such Subseries of the Commercial Paper Notes from the related Bank. If such notice is received, the Issuing and Paying Agent may only resume issuing such Commercial Paper Notes of such Subseries if it has received notice from the related Bank that the Tier One Stop Issuance Instruction has been rescinded in writing and the Issuing and Paying Agent may resume delivering such Commercial Paper Notes of such Subseries;

(ii) no Event of Default under the Trust Agreement has occurred and is continuing as of the date of such instructions;

(iii) the Corporation has full power and authority to perform its duties and obligations with respect to the Notes and the applicable Reimbursement Agreement;

(iv) the Corporation is in compliance with its covenants set forth in the Trust Agreement as of the date of such instructions; and

(v) the principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of and accrued interest due and payable at the stated maturity of Commercial Paper Notes of such Subseries to be Outstanding as of the date of such issuance and the principal amount (or face amount in the case of such Subseries of Commercial Paper Notes that are Series B Commercial Paper Notes issued at a discount) of and accrued interest due and payable at the stated maturity of any other Subseries of Commercial Paper Notes to be Outstanding as of the date of such issuance supported by the same Credit Facility does not exceed the amount then available to be drawn under the applicable Credit Facility.

With respect to Commercial Paper Notes issued to pay the principal of and interest on maturing Commercial Paper Notes (or to reimburse the related Bank for Advances made to pay such amounts), unless the Corporation notifies the Dealer and the Issuing and Paying Agent to the contrary in writing, the Corporation pursuant to the Trust Agreement will authorize and direct the applicable Dealer to direct the Issuing and Paying Agent to issue Commercial Paper Notes in an amount equal to the principal of and interest on maturing Commercial Paper Notes of the applicable Subseries, and, in connection therewith, to provide the Issuing and Paying Agent with the necessary information required in clause (a) above. In such event, the Corporation will be deemed to be in compliance with the requirements of clause (e) above (other than clause (e)(i)(F)) unless the Corporation has given notice to the Issuing and Paying Agent that it is not in compliance with those requirements.

THE COMMERCIAL PAPER NOTES ARE SPECIAL OBLIGATIONS OF THE CORPORATION PAYABLE SOLELY FROM THE AMOUNTS PLEDGED THEREFOR IN THE TRUST AGREEMENT, INCLUDING BASE RENTAL PAYMENTS MADE BY THE CITY PURSUANT TO THE SUBLEASE AND AMOUNTS HELD BY THE TRUSTEE AND THE ISSUING AND PAYING AGENT IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TRUST AGREEMENT. THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE SUBLEASE, NEITHER THE NOTES NOR THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE CORPORATION HAS NO TAXING POWER AND NO OBLIGATION TO PAY



BASE RENTAL. UNDER CERTAIN CIRCUMSTANCES, BASE RENTAL PAYMENTS MAY BE ABATED UNDER THE SUBLEASE.

### **Defeasance**

If, when all or any portion of the Commercial Paper Notes shall have become due and payable in accordance with their terms or otherwise as provided in the Trust Agreement, the entire principal and interest so due and payable upon said Commercial Paper Notes shall be paid, or if at or prior to the date said Commercial Paper Notes have become due and payable, sufficient moneys or noncallable, nonprepayable, direct obligations of, or obligations guaranteed by, the United States of America, the principal of and interest on which will provide sufficient moneys for such payment, as verified by a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay said Commercial Paper Notes in full on the dates that principal of and interest on said Commercial Paper Notes is due, shall be held in trust by the Trustee or the Corporation and provision shall also be made for paying all other sums payable under the Trust Agreement by the Trustee or the Corporation with respect to said Commercial Paper Notes, the pledge created in the Trust Agreement with respect to said Commercial Paper Notes shall thereupon cease, terminate and become discharged and said Commercial Paper Notes shall no longer be deemed Outstanding for purposes of the Trust Agreement and all the provisions of the Trust Agreement, including all covenants, agreements, liens and pledges made therein, shall be deemed duly discharged, satisfied and released with respect to said Commercial Paper Notes.

### **TAX-EXEMPT SERIES A-1/TAXABLE SERIES B-1 LETTER OF CREDIT**

*The following are summaries of certain provisions of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement. The following summaries do not purport to be full and complete statements of the provisions of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit or the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement, which documents should be read in full for a complete understanding of all the terms and provisions thereof. Copies of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement (in their current form) may be obtained from the City.*

In addition to the foregoing, the Corporation has covenanted and agreed in the Trust Agreement to maintain a Credit Facility with respect to each Subseries of the Commercial Paper Notes while Commercial Paper Notes remain outstanding, provided that the Corporation may replace any Credit Facility on any date that all Outstanding Commercial Paper Notes of the applicable Subseries supported by such Credit Facility mature upon five (5) days prior written notice to the applicable Dealers, the Trustee and the Issuing and Paying Agent (such notice to the Trustee including a written direction from the Corporation to the Trustee to immediately disseminate notice of the replacement of such Credit Facility to the Owners of Outstanding Commercial Paper Notes of the applicable Subseries supported by such Credit Facility) and the Issuing and Paying Agent shall draw on the Credit Facility being replaced (and not upon any Alternate Credit Facility replacing such Credit Facility) as needed to pay the principal of and accrued interest on all Outstanding Commercial Paper Notes of the applicable Subseries supported by such Credit Facility maturing on such date.

### **The Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit**

*The following is a summary of certain provisions of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit to be issued by the Tax-Exempt Series A-1/Taxable Series B-1 Bank. This summary is not to be considered a full statement of the terms of the Tax-Exempt Series A-1/Taxable*

*Series B-1 Letter of Credit and accordingly is qualified by reference thereto and is subject to the full text thereof. Except as otherwise defined herein, capitalized terms used in this Offering Memorandum without definition have the respective meanings set forth in the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit.*

At the request and for the account of the Corporation and the City, the Tax-Exempt Series A-1/Taxable Series B-1 Bank will issue the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit in favor of the Issuing and Paying Agent in the initial stated amount of \$105,000,000, which may be drawn upon from time to time in respect of the principal of and actual interest accrued on maturing Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. The Stated Amount of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit in effect from time to time shall be subject to reductions and reinstatements as set forth in the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit. The Issuing and Paying Agent will draw moneys under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit to the extent necessary to pay principal of and interest on maturing Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. Drawings by the Issuing and Paying Agent under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit will reduce the amounts available for subsequent Drawings under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit, subject to reinstatement as provided in the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit. All Drawings under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit will be paid with the Tax-Exempt Series A-1/Taxable Series B-1 Bank's own immediately available funds.

The City and the Corporation may elect to reduce the Stated Amount of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit from time to time prior to the Letter of Credit Termination Date to an amount not less than the sum of the face value of all discount Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes and the principal amount of all outstanding non-discount Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes plus actual interest to accrue thereon to the maturity date thereof.

The Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit shall terminate at 5:00 p.m., New York, New York time, on the date (the earliest of such date to occur referred to herein as the "Letter of Credit Termination Date") which is the earliest of (i) June 30, 2022, except as extended pursuant to a notice from the Tax-Exempt Series A-1/Taxable Series B-1 Bank to the Issuing and Paying Agent (the "Stated Expiration Date"); provided, however, that if such date is not a Business Day, the Stated Expiration Date shall be the next preceding Business Day; (ii) the later of the date on which the Tax-Exempt Series A-1/Taxable Series B-1 Bank receives a specified written notice from the Issuing and Paying Agent that an Alternate Credit Facility has been substituted for the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit in accordance with the Trust Agreement or the effective date of any such Alternate Credit Facility (after the Tax-Exempt Series A-1/Taxable Series B-1 Bank honors any properly presented and conforming Drawing, if any, on such date), (iii) the date on which the Tax-Exempt Series A-1/Taxable Series B-1 Bank receives a specified written notice from the Issuing and Paying Agent that there are no longer any Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes Outstanding within the meaning of the Trust Agreement and that the Issuing and Paying Agent elects to terminate the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit, (iv) the earlier of (a) the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date on which the Issuing and Paying Agent receives a specified notice from the related Bank (the "Tier One Final Drawing Notice"), and (b) the date on which the Drawing resulting from the delivery of the Tier One Final Drawing Notice is honored under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit; or (v) the earlier of (a) the 120th day after the date on which the Issuing and Paying Agent receives a Tier Two Termination Notice from the Tax-Exempt Series A-1/Taxable Series B-1 (the "Tier Two Termination Date") (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a Tier Two Termination Notice that has not been rescinded and

has not been superseded by a subsequent New Tier Two Termination Notice relating to a New Tier Two Termination Date (after the Tax-Exempt Series A-1/Taxable Series B-1 Bank honors any properly presented and conforming Drawing, if any, on such date) and (b) the date specified in a New Tier Two Termination Notice which the Issuing and Paying Agent receives from the Tax-Exempt Series A-1/Taxable Series B-1 Bank (the “New Tier Two Termination Date”) (or if such date is not a Business Day, the immediately succeeding Business Day) in respect of a New Tier Two Termination Notice that has not been rescinded (after the Tax-Exempt Series A-1/Taxable Series B-1 Bank honors any properly presented and conforming Drawing, if any, on such date). The Stated Expiration Date of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit may be extended as provided in the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement and the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit.

### **The Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement**

*General.* The Corporation, the City and the Tax-Exempt Series A-1/Taxable Series B-1 Bank have entered into a Reimbursement Agreement, pursuant to which the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit was issued. Among other things, the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement provides for (a) the repayment to the Tax-Exempt Series A-1/Taxable Series B-1 Bank of all draws made under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit, together with specified interest thereon; (b) the payment or reimbursement to the Tax-Exempt Series A-1/Taxable Series B-1 Bank of certain specified fees, costs and expenses; (c) affirmative and negative covenants to be observed on the part of the Corporation and the City; and (d) certain indemnification obligations on the part of the Corporation and the City.

As used in this section, “Material City Debt” means any Debt (as defined in the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement) of the City that is outstanding in a principal amount of \$10,000,000 or more.

As used in this section, “Related Documents” means the Trust Agreement, the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit, the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement, the fee letter by and among the Tax-Exempt Series A-1/Taxable Series B-1 Bank, the City and the Corporation relating to the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement (the “Tax-Exempt Series A-1/Taxable Series B-1 Fee Letter”), the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, the Revolving Note, the Issuing and Paying Agent Agreement, this Offering Memorandum, the Site Lease, the Sublease, the Assignment Agreement and the Dealer Agreements.

As used in this section, “Tax-Exempt Series A-1/Taxable Series B-1 Revolving Note” means the Corporation’s revolving note issued to the Tax-Exempt Series A-1/Taxable Series B-1 Bank pursuant to the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement to evidence the indebtedness of the Corporation due and owing to the Tax-Exempt Series A-1/Taxable Series B-1 Bank under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement with respect to amounts drawn on the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit.

*Events of Default.* The occurrence of any of the following events shall be an “Event of Default” under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement:

(a) The Corporation or the City shall fail to pay (i) any and all amounts owing by the Corporation to the Tax-Exempt Series A-1/Taxable Series B-1 Bank under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement for all amounts drawn under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit, Principal Advances, Term Loans and Default Advances

(each, a “Reimbursement Obligation”), or interest thereon as and when due thereunder, subject to the limitations set forth in the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement; (ii) any fee set forth in the Tax-Exempt Series A-1/Taxable Series B-1 Fee Letter as and when due thereunder and the continuance of such failure for a period of three (3) Business Days; or (iii) any other amount payable under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement, the Tax-Exempt Series A-1/Taxable Series B-1 Fee Letter or under the Tax-Exempt Series A-1/Taxable Series B-1 Revolving Note and the continuance of such failure for a period of thirty (30) days after written notice thereof;

(b) The Corporation or the City shall default in the performance of any of the certain specified covenants set forth in the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement;

(c) The Corporation or the City shall default in the performance of any other material term, covenant or agreement set forth in the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement and such failure shall continue for a period of 30 days after written notice thereof shall have been given to the Corporation or the City, as applicable, by the Tax-Exempt Series A-1/Taxable Series B-1 Bank;

(d) Any representation, warranty, certification or material statement made by the Corporation or the City (or incorporated by reference) in the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement or by the Corporation or the City in any other Related Document or in any certificate, financial statement or other document delivered pursuant to the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement or any other Related Document shall prove to have been incorrect in any material respect when made;

(e) The City shall (A) fail to make any payment on any Material City Debt (other than the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes) or any interest or premium thereon when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material City Debt; or (B) fail to perform or observe any material term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to any Material City Debt when required to be performed or observed, and such failure shall not be waived and shall continue after the later of (1) five Business Days after notice of such failure or (2) the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate the maturity of such Material City Debt; or (C) any Material City Debt shall be declared to be due and payable or be required to be prepaid (other than by a regularly scheduled required prepayment or an optional prepayment), prior to the stated maturity thereof; provided, however, that in the case of clause (A) or (B) any such failure shall not be considered an Event of Default under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement if the same is being contested in good faith and by appropriate proceedings and such contest shall operate to stay the acceleration of the maturity of such Material City Debt;

(f) The Corporation or the City shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of its or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall declare a moratorium, or shall take any action to authorize any of the foregoing;

(g) A case or other proceeding shall be commenced against the Corporation or the City seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Corporation or the City under the federal bankruptcy laws as now or hereafter in effect, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against a substantial part of the property, assets or business of the Corporation or the City, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be stayed, released, appealed, vacated or fully bonded, within the time permitted by law after commencement, filing or levy, as the case may be;

(h) Any material provision of the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement, the Tax-Exempt Series A-1/Taxable Series B-1 Fee Letter or any other Related Document shall cease for any reason whatsoever to be a valid and binding agreement of the Corporation or the City, or the Corporation or the City shall contest the validity or enforceability thereof;

(i) Any pledge created under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement or under the Trust Agreement to secure any amounts due under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement shall fail to be valid or fully enforceable; or

(j) An event of default shall occur under any of the Related Documents (other than the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement) or the City shall fail to make any payment under the Sublease when and as due.

*Bank Remedies upon an Event of Default.* If any Event of Default under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement shall have occurred and be continuing, the Tax-Exempt Series A-1/Taxable Series B-1 Bank may, by notice to the Corporation and the Issuing and Paying Agent, (i) give notice of such Event of Default to the Issuing and Paying Agent (which notice shall constitute a Tier One Stop Issuance Instruction) the effect of which shall be to prohibit, until such time, if any, as the Tax-Exempt Series A-1/Taxable Series B-1 Bank shall withdraw (in writing) such Tier One Stop Issuance Instruction, the issuance of additional Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, reduce the Stated Amount of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit to the principal amount of the then Outstanding Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes supported by the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and interest payable thereon at maturity of such Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes are paid), (ii) issue the Tier One Final Drawing Notice (the effect of which shall be to cause the Letter of Credit Termination Date of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit to occur on the fifteenth (15th) day after the date of receipt thereof by the Issuing and Paying Agent and to instruct the Issuing and Paying Agent to make the Final Drawing under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit to provide for the payment of Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes which are then outstanding and are maturing or are thereafter to mature), (iii) declare the Tax-Exempt Series A-1/Taxable Series B-1 Revolving Note, in whole or in part, all or some Advances and Term Loans, as well as any other Reimbursement Obligation, and all interest thereon to be a Default Advance under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement due and payable in the manner set forth in and subject to the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement, or (iv) take any other action permitted by equity or law. Notwithstanding anything to the contrary contained in the preceding sentence, upon the occurrence or existence of an Event of Default

under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement of the type described in paragraph (f) or (g) under the caption “TAX-EXEMPT SERIES A-1/TAXABLE SERIES B-1 LETTER OF CREDIT-The Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement-Events of Default” above, the remedies described in clause (iii) above shall occur immediately and automatically without notice or further action on the part of the Tax-Exempt Series A-1/Taxable Series B-1 Bank or any other person and the remedies described in clauses (i) and (ii) above shall occur by the giving of notice only to the Issuing and Paying Agent. Anything in the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement to the contrary notwithstanding, from and after the occurrence of an Event of Default under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement, all Reimbursement Obligations shall bear interest at the Default Rate (as defined in the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement). Upon any action by the Tax-Exempt Series A-1/Taxable Series B-1 Bank as contemplated in the foregoing clauses (i) and (ii), the Stated Amount shall be permanently reduced upon, and by the amount of, each Drawing under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit following the occurrence of an Event of Default under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement. Notwithstanding the foregoing, the occurrence of an Event of Default under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement shall not affect the Tax-Exempt Series A-1/Taxable Series B-1 Bank’s obligations under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit with respect to Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes that are outstanding at the time of the occurrence of such Event of Default under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement, and the Issuing and Paying Agent shall continue to have the right to draw under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit to pay the principal of and accrued interest on maturing Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes that are outstanding at the time of the occurrence of such Event of Default under the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement. Nothing contained in the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement shall result in, or be construed to require, an acceleration of the payment of Base Rental pursuant to the Sublease. Nothing contained in the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement shall abrogate the obligation of the Tax-Exempt Series A-1/Taxable Series B-1 Bank to honor properly presented and conforming Drawings under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit prior to the termination of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit in accordance with its terms.

### **LETTER OF CREDIT BANK**

*The following information concerning the Tax-Exempt Series A-1/Taxable Series B-1 Bank has been provided by representatives of the Tax-Exempt Series A-1/Taxable Series B-1 Bank and has not been independently confirmed or verified by the Dealers, the Corporation or the City. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information given below or incorporated herein by reference is correct as of any time subsequent to its date.*

*Except for the contents under this subheading, U.S. Bank National Association did not participate in the preparation of, or in any way verify the information in, any other part of this Offering Memorandum and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Offering Memorandum.*

U.S. Bank National Association (the “Tax-Exempt Series A-1/Taxable Series B-1 Bank”) is a national banking association organized under the laws of the United States and is the largest subsidiary of U.S. Bancorp. At December 31, 2021, Tax-Exempt Series A-1/Taxable Series B-1 Bank reported total assets of \$564 billion, total deposits of \$465 billion and total shareholders’ equity of \$51 billion. The foregoing financial information regarding the Tax-Exempt Series A-1/Taxable Series B-1 Bank has been

derived from and is qualified in its entirety by the unaudited financial information contained in the Federal Financial Institutions Examination Council report Form 031, Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices (“Call Report”), for the quarter ended December 31, 2021. The publicly available portions of the quarterly Call Reports, as well as other information regarding depository institutions such as the Tax-Exempt Series A-1/Taxable Series B-1 Bank, are available to the public on the FDIC’s website at [www.fdic.gov](http://www.fdic.gov). Additional information about the Tax-Exempt Series A-1/Taxable Series B-1 Bank is available to the public on the Office of the Comptroller of the Currency’s website at [www.occ.gov](http://www.occ.gov).

U.S. Bancorp is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, files reports and other information with the Securities and Exchange Commission (the “SEC”). U.S. Bancorp is not guaranteeing the obligations of the Tax-Exempt Series A-1/Taxable Series B-1 Bank and is not otherwise liable for the obligations of the Tax-Exempt Series A-1/Taxable Series B-1 Bank.

Except for the contents of this section, the Tax-Exempt Series A-1/Taxable Series B-1 Bank and U.S. Bancorp assume no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement.

## **SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES**

### **Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit**

The principal and actual interest accrued on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes will be supported by amounts available under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit to be issued in the initial stated amount of \$105,000,000. The Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit will expire on June 30, 2025, or such later date to which the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit shall have been extended or such earlier date on which the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit shall have expired, unless the Corporation shall have arranged for an Alternate Credit Facility. The Tax-Exempt Series A-1/Taxable Series B-1 Bank is not obligated to extend the Stated Expiration Date of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit. See “TAX-EXEMPT SERIES A-1/TAXABLE SERIES B-1 LETTER OF CREDIT-The Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement.” See also “RISK FACTORS-Expiration of Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit.”

**The investment decision to purchase the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes should be made solely on the basis of the creditworthiness of the Tax-Exempt Series A-1/Taxable Series B-1 Bank, rather than the City.** Prospective investors should not rely on any source other than proceeds of drawings under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit to pay the principal and actual interest accrued on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. If, for any reason, the Tax-Exempt Series A-1/Taxable Series B-1 Bank fails to honor a properly presented and conforming drawing under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit, the principal and actual interest accrued on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes may not be paid when due, and the City would have no obligation to make any payments with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes apart from the City’s obligation to make Base Rental (as defined herein) payments as and when due, as more particularly described herein. The ratings assigned to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes are based on the creditworthiness of the Tax-Exempt Series A-1/Taxable Series B-1 Bank. See “RATINGS” herein.

## **Pledged Property; Assignment**

Pursuant to the Trust Agreement, the Corporation has pledged and assigned to the Trustee, on behalf of the Owners of the Commercial Paper Notes and the Banks, and has granted to the Trustee, on behalf of the Owners of the Commercial Paper Notes and the Banks, a security interest in and lien on, all its right, title and interest in and to: (i) the Site Lease; (ii) the Sublease (except for its right to payment of expenses of the Corporation under the Sublease, its right to indemnification under the Sublease and its right to receive certain notices under the Sublease); (iii) the proceeds of any insurance, including the proceeds of any self-insurance covering loss relating to the Property; (iv) all amounts on hand from time to time in the funds and accounts established under the Trust Agreement (other than the Rebate Fund and the Commercial Paper Note Proceeds Subaccounts within the Payment Account); provided that the proceeds of the sale of a Subseries of Commercial Paper Notes on deposit in any such fund or account shall not secure any other Subseries of Commercial Paper Notes supported by a different Credit Facility and the proceeds of any drawing or payment under a Credit Facility for a Subseries shall not secure any other Subseries of Commercial Paper Notes supported by a different Credit Facility; and (v) any additional moneys or amounts that may from time to time, by delivery or by writing of any kind, be subjected to the lien of the Trust Agreement by the Corporation or by anyone on its behalf, subject only to the provisions of the Trust Agreement, the Site Lease and the Sublease (clauses (i), (ii), (iii), (iv) and (v) of this sentence, collectively, the “Pledged Property”).

The Corporation has covenanted and agreed in the Trust Agreement that Base Rental and proceeds of rental interruption insurance with respect to the Property (if any) received by the Issuing and Paying Agent, on behalf of the Trustee, shall be deposited in the Base Rental Account. All Pledged Property shall be accounted for and applied in accordance with the Trust Agreement, and the Corporation shall have no beneficial right or interest in any of the Pledged Property except as provided in the Trust Agreement. All Pledged Property, whether received by the Corporation in trust or deposited with the Trustee as provided in the Trust Agreement, shall nevertheless be allocated, applied and disbursed solely to the purposes and uses set forth therein, and shall be accounted for separately and apart from all other accounts, funds, moneys or other resources of the Corporation.

The Commercial Paper Notes are special limited obligations of the Corporation and principal thereof and interest thereon are payable solely from the Pledged Property available for such purpose and moneys drawn by the Issuing and Paying Agent under the applicable Credit Facility as provided in the Trust Agreement, and the Corporation is not obligated to pay such principal or interest except from the Pledged Property available for such purpose.

## **Sublease; Term**

The City has leased certain parcels of land, together with the buildings and improvements located thereon, but excluding any appurtenant air rights, as more particularly described in the Sublease (collectively, the “Property”), to the Corporation pursuant to an Amended and Restated Site Lease, dated as of June 1, 2019 (as amended and supplemented from time to time, the “Site Lease”), by and between the City and the Corporation. The City has subleased the Property from the Corporation pursuant to the Sublease. The leasing and subleasing of the Property pursuant to the Site Lease and the Sublease were approved and became effective on June 14, 2019 pursuant to a lease ordinance passed by the City Council of the City on April 30, 2019 and published on May 15, 2019.

Subject to the next succeeding paragraph, with respect to each Component, the term of the Sublease with respect to such Component began on June 21, 2019 and will end on the earliest of: (a) the date set forth with respect to such Component in Appendix C attached hereto (and in the case of any Property which is added following June 21, 2019 or substituted for a Component pursuant to pursuant to



the provisions of the Sublease and of the Trust Agreement, the date set forth in the base rental payment schedule attached to the Sublease as an exhibit with respect to such additional or substituted Component), (b) the date all Base Rental related to such Component is paid in full, (c) the date of termination of the Sublease with respect to such Component due to casualty or condemnation in accordance with the terms of the Sublease, or (d) the date of release of such Component in accordance with the terms of the Sublease and of the Trust Agreement.

Notwithstanding anything to the contrary contained in the Sublease, including without limitation the provisions of the Sublease with respect to Rental Payments, if, at any time on or prior to the final maturity of all outstanding Commercial Paper Notes, there shall remain outstanding any obligations to any Bank under any of the Reimbursement Agreements, the term of the Sublease with respect to each Component subject to the Sublease at such time shall be extended until such date as all such obligations to the Banks have been satisfied; provided, however, in no event shall the term of the Sublease with respect to any Component extend beyond June 21, 2059. During such extension of the term of the Sublease the City shall pay Base Rental (including any Maximum Base Rental which accrued during any prior Base Rental Period but was not paid during such prior Base Rental Period) in an amount sufficient to satisfy such obligations to the Banks in full; provided, however, that the Base Rental with respect to any Component during any Base Rental Period shall not exceed the then fair rental value with respect to such Component during such Base Rental Period.

### **Base Rental Payments**

Pursuant to the Sublease, the City has agreed to pay to the Corporation Base Rental in an amount up to the Maximum Base Rental, and the Additional Rental, with respect to each Component, as provided in the Sublease, for the use, occupancy and possession of the Property for which such Maximum Base Rental is payable, all on the terms and conditions set forth in the Sublease. The table set forth in Appendix C attached hereto sets forth the Maximum Base Rental with respect to each Component for each Base Rental Period.

The Minimum Required Rental Payment for each Base Rental Period shall be equal to the sum of (a) the Assumed Interest Cost required during such Base Rental Period with respect to the Commercial Paper Notes (based upon the average principal amount of Commercial Paper Notes expected to be Outstanding during such Base Rental Period and the applicable Assumed Interest Rate); (b) the principal amount of Commercial Paper Notes and Revolving Notes the City expects to repay during such Base Rental Period in addition to the Required Principal Reduction Amount and amounts set forth in clause (e) below; (c) the Required Principal Reduction Amount for such Base Rental Period; (d) the Assumed Interest Cost required during such Base Rental Period with respect to the Revolving Notes (based upon the expected average principal amount of the Revolving Notes expected to be Outstanding during such Base Rental Period and the applicable Assumed Interest Rate with respect to such Revolving Notes); and (e) the amount of principal coming due on the Revolving Notes during such Base Rental Period.

If the Minimum Required Rental Payment for a Base Rental Period is less than the aggregate Maximum Base Rental for all Components for such Base Rental Period, the City shall be obligated to pay the Minimum Required Rental Payment for each Base Rental Period, with the interest portion thereof being paid at the applicable Assumed Interest Rate in equal quarterly installments on each Quarterly Payment Date, with an amount equal to the principal portion thereof, including the Required Principal Reduction Amount, being paid not later than the first day of the calendar quarter during which such amount will be used to reimburse a Bank for an Advance used to retire Commercial Paper Notes that will not be remarketed, renewed or refinanced (and to pay the interest thereon), and with any principal due under any Revolving Notes during such Base Rental Period being paid on or prior to the date that is ten days prior to the date such amount is due under such Revolving Notes. Any Base Rental and Additional

Rental shall be paid on the terms, in the amounts, at the times and in the manner set forth in the Sublease. The City will make payments of Base Rental directly to the Issuing and Paying Agent, as agent for the Trustee, for deposit into the Base Rental Account and, to the extent not otherwise paid to the Person to whom any amount constituting Additional Rental is owing, will make payment of Additional Rental to the Issuing and Paying Agent for deposit into the Administrative Expense Account. The amount by which the aggregate Maximum Base Rental for all Components for any Base Rental Period exceeds the amount so deposited in such Base Rental Period shall continue to be an obligation of the City for such Base Rental Period and shall be payable by the City if and to the extent that payment is required pursuant to the Sublease.

In connection with the issuance of Commercial Paper Notes for a purpose other than to pay the principal of and interest on maturing Commercial Paper Notes (or to reimburse the related Bank for Advances made to pay such amounts), the Corporation will be required to issue to the City a Debt Service Certificate – Additional Commercial Paper Notes pursuant to the Trust Agreement reflecting the issuance of such Commercial Paper Notes, and such Debt Service Certificate will indicate whether a Minimum Supplemental Rental Payment is required during the then current Base Rental Period. Such Minimum Supplemental Rental Payment shall be equal to the sum of: (a) the Assumed Interest Cost required during the portion of such Base Rental Period from and after the date of issuance of the additional Commercial Paper Notes (based upon the expected average principal amount of Commercial Paper Notes Outstanding during such Base Rental Period after such issuance and the applicable Assumed Interest Rate); (b) the interest accrued on the Commercial Paper Notes during the portion of such Base Rental Period prior to such issuance date; (c) the unpaid portion of the new Required Principal Reduction Amount for such Base Rental Period during which such issuance date occurs; (d) the Required Principal Reduction Amount paid during the portion of such Base Rental Period prior to such issuance date; (e) the Assumed Interest Cost required during the portion of such Base Rental Period from and after such issuance date with respect to the Revolving Notes (based upon the expected average principal amount of the Revolving Notes expected to be Outstanding during such Base Rental Period after such issuance and the applicable Assumed Interest Rate with respect to such Revolving Notes); (f) the interest accrued on the Revolving Notes during the portion of such Base Rental Period prior to such issuance date; (g) the amount of principal coming due on the Revolving Notes during such Base Rental Period after such issuance; and (h) the principal paid on the Revolving Notes during the portion of such Base Rental Period prior to such issuance date; and less (i) the amount of Minimum Required Rental Payment and Minimum Supplemental Rental Payment previously paid or budgeted to be paid for such Base Rental Period during which such issuance date occurs. If the Debt Service Certificate--Additional Commercial Paper Notes issued by the Corporation to the City pursuant to the Trust Agreement indicates that a Minimum Supplemental Rental Payment is required during the then current Base Rental Period, the City shall budget and appropriate the necessary Minimum Supplemental Rental Payment and promptly pay to the Issuing and Paying Agent such Minimum Supplemental Rental Payment, except as provided in the second following paragraph below; provided, however, that the City may pay such Minimum Supplemental Rental Payment in equal installments on each Quarterly Payment Date remaining in such Base Rental Period so long as all such payments are made in advance of the date required to pay principal of and interest on any Notes. The Corporation will not be required to issue the Debt Service Certificate--Additional Commercial Paper Notes if the issuance of such Additional Notes was taken into account in completing the Debt Service Certificate--Annual for such Base Rental Period.

If at any time during a Quarterly Payment Period, the amount on deposit in the Capitalized Interest Subaccounts, the Base Rental Account, the Base Rental Payment Subaccounts and/or the Bank Reimbursement Subaccounts shall not be sufficient to pay the principal of and accrued interest on the Commercial Paper Notes and Advances evidenced by the Revolving Notes during such Quarterly Payment Period, the Required Principal Reduction Amount for such Quarterly Payment Period, if any, and any principal due on the Revolving Notes, the Corporation shall file with the City a Debt Service

Certificate--Additional Interest and/or Principal with respect to such deficiency, and such Debt Service Certificate--Additional Interest and/or Principal will indicate whether a Minimum Supplemental Rental Payment is required. Such Minimum Supplemental Rental Payment shall be equal to the sum of: (a) the amount of interest expected to accrue on Commercial Paper Notes scheduled to mature during the portion of such Base Rental Period after the date of calculation set forth in such Debt Service Certificate; (b) the interest accrued on the Commercial Paper Notes during the portion of such Base Rental Period prior to such calculation date; (c) the unpaid portion of the Required Principal Reduction Amount for such Base Rental Period during which such calculation date occurs; (d) the Required Principal Reduction Amount paid during the portion of such Base Rental Period prior to such calculation date; (e) the amount of interest expected to accrue on the Revolving Notes (based on the applicable Assumed Interest Rate as of such calculation date) during the portion of such Base Rental Period after such calculation date; (f) the interest accrued on the Revolving Notes during the portion of such Base Rental Period prior to such calculation date; (g) the amount of principal coming due on the Revolving Notes during the portion of such Base Rental Period after such calculation date; and (h) the principal paid on the Revolving Notes during the portion of such Base Rental Period prior to such calculation date; and less (i) the amount of Minimum Required Rental Payment and Minimum Supplemental Rental Payment previously paid or budgeted to be paid for such Base Rental Period during which such calculation date occurs. If the Debt Service Certificate--Additional Interest and/or Principal filed by the Corporation with the City pursuant to the Trust Agreement indicates that a Minimum Supplemental Rental Payment is required, the City shall budget and appropriate the necessary Minimum Supplemental Rental Payment and promptly pay to the Issuing and Paying Agent such Minimum Supplemental Rental Payment, except as provided in the paragraph below.

The City shall not be required to budget and appropriate the necessary Minimum Supplemental Rental Payment and pay any Minimum Supplemental Rental Payment if the Corporation shall have issued its Commercial Paper Notes to provide funds in an amount equal to or in excess of the amount of the Minimum Supplemental Rental Payment and the proceeds of such Commercial Paper Notes shall have been deposited into the Base Rental Account. Additionally, if the Corporation shall have issued its Commercial Paper Notes to provide funds to pay a portion of the amount of any Minimum Supplemental Rental Payment and the proceeds of the Commercial Paper Notes have been deposited into the Base Rental Account, the amount of the Minimum Supplemental Rental Payment may be reduced by the amount of proceeds so deposited.

Notwithstanding any provisions of the Sublease or any other document to the contrary, under no circumstances shall the City be required to pay during any Base Rental Period amounts (exclusive of Additional Rental) in excess of aggregate Maximum Base Rental for all Components for such Base Rental Period; provided that the City shall have the right at any time, to pay Base Rental in excess of that required under the Sublease in order to provide for the retirement of Commercial Paper Notes or the repayment of the Revolving Notes.

Pursuant to the Sublease, if at any time the City shall determine that the annual fair rental value of the Property in any future Base Rental Period is greater than the Minimum Required Rental Payment due in such future Base Rental Period (the difference being referred to herein as the "Excess Fair Rental Value"), the City may revise the schedule of Minimum Required Rental Payments such that a portion of the Minimum Required Rental Payment which would have been due in the then current year shall be paid in such future Base Rental Period to the extent of such Excess Fair Rental Value. Likewise, if at any time the City shall determine that the annual fair rental value of the Property in the then current Base Rental Period is greater than the Minimum Required Rental Payment due in such current Base Rental Period, the City may, at its option, pay additional Base Rental during such current Base Rental Period and such amount shall be credited against the Minimum Required Rental Payment due in any future Base Rental Period as the City shall direct.

The Maximum Base Rental for each Component for each Base Rental Period shall be the amount set forth in Appendix C attached hereto, and shall become due and payable quarterly in advance on each Quarterly Payment Date during the Sublease Term as set forth in the Sublease. Pursuant to the Sublease, the City has agreed to pay, from legally available funds, to the extent required thereunder, the aggregate Maximum Base Rental for all Components for each Base Rental Period, subject to the provisions of the Sublease providing for payment of Minimum Required Rental Payments described above.

In addition to the Minimum Required Rental Payments and any Minimum Supplemental Rental Payments set forth in the Sublease, the City has agreed to pay as Additional Rental all of the following: (i) all taxes and assessments of any nature whatsoever, including but not limited to excise taxes, *ad valorem* taxes, *ad valorem* and specific lien special assessments and gross receipts taxes, if any, levied upon any Component or upon any interest of the Corporation, the Trustee or the Owners therein or in the Sublease, including taxes and charges contemplated by the provision of the Sublease described under “— Taxes, Other Governmental Charges and Utility Charges” below; (ii) all costs of maintenance, operation, repair and replacement of the Property as required under the Sublease; (iii) insurance premiums, if any, on all insurance required under the provisions of the Sublease; (iv) all fees, costs and expenses (not otherwise paid or provided for out of the proceeds of the sale of the Commercial Paper Notes) of the Trustee, the Issuing and Paying Agent and the Dealers in connection with the Trust Agreement and the Dealer Agreements; (v) all fees, costs and expenses payable to the Banks under the Reimbursement Agreements; (vi) any other fees, costs or expenses incurred by the Corporation, the Trustee and the Issuing and Paying Agent in connection with the execution, performance or enforcement of the Sublease or any assignment thereof or of the Trust Agreement or any of the transactions contemplated thereby or related to the Property; and (vii) rebate, if any, due pursuant to Section 148(f)(2) of the Code. Amounts constituting Additional Rental payable under the Sublease shall be paid by the City directly to the person or persons to whom such amounts shall be payable. The City shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Trustee, the Corporation or the applicable Bank to the City stating the amount of Additional Rental then due and payable and the purpose thereof.

As used in this Offering Memorandum, “Rental Payments” means all Minimum Required Rental Payments, Minimum Supplemental Rental Payments and Additional Rental payable under the Sublease, “Base Rental” means all Minimum Required Rental Payments and Minimum Supplemental Rental Payments, but does not include Additional Rental, and “Maximum Base Rental” means, for each Component for each Base Rental Period, the amount set forth in Appendix C attached hereto, as such amounts may be adjusted from time to time in accordance with the terms of the Sublease, but does not include Additional Rental.

The City has covenanted under the Sublease to pay to the Corporation Base Rental in an amount up to the Maximum Base Rental, and the Additional Rental, with respect to each Component, as provided in the Sublease, for the use, occupancy and possession of the Property for which such Maximum Base Rental is payable, all on the terms and conditions set forth in the Sublease, for and in consideration for the use and possession, and the continued quiet use and enjoyment, of the Property by the City for and during each Base Rental Period or portion thereof. Subject to the provision summarized in the fifth immediately preceding paragraph above, the City has further covenanted to include all Minimum Required Rental Payments, Additional Rental and Minimum Supplemental Rental Payments due under the Sublease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all Minimum Required Rental Payments, Additional Rental, and Minimum Supplemental Rental Payments, subject to abatement during any period in which, by reason of material damage, destruction or condemnation of any Component, or defects in title to any Component, there is substantial interference with the use, occupancy or possession of any Component by the City. See “RISK FACTORS — Abatement.” The City and the Corporation have agreed in the Sublease that the Minimum Required Rental Payments and any Minimum

Supplemental Rental Payments and Additional Rental for each Base Rental Period or portion thereof during the Sublease Term shall constitute the total rental for such Base Rental Period or portion thereof. The City and the Corporation have further agreed and determined that the Base Rental payable in respect of any Component during each such Base Rental Period are not in excess of the total fair rental value of such Component for such Base Rental Period. In making such determination, consideration will be given to such matters, including but not limited to, the uses and purposes served by each such Component and the benefits therefrom that will accrue to the City and the Corporation by reason of the Sublease and to the general public by reason of the City's use of each such Component.

The covenants on the part of the City contained in the Sublease are deemed to be and are construed to be ministerial duties imposed by law and by the Charter of the City and it shall be the ministerial duty of each and every public official of the City who bears direct or indirect responsibility for administering the Sublease to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the City to carry out and perform the covenants and agreements on the part of the City contained in the Sublease.

The obligation of the City to make Rental Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Notwithstanding anything to the contrary contained in the Sublease, neither the Notes nor the obligation of the City to make Rental Payments constitutes an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction.

The Sublease is intended to be a triple net lease. The City has agreed that the rentals provided for in the Sublease shall be an absolute net return to the Corporation free and clear of any expenses, charges or set-offs whatsoever.

### **Rental Abatement**

Except to the extent of (a) available amounts held by the Trustee in the Base Rental Account or the Issuing and Paying Agent in the Base Rental Payment Subaccounts or the Bank Reimbursement Subaccounts, (b) amounts, if any, received in respect of rental interruption insurance with respect to any Component, and (c) amounts, if any, otherwise legally available to the City for payments in respect of the Sublease or to the Issuing and Paying Agent for payments in respect of the Notes, Rental Payments due under the Sublease will be subject to abatement during any period in which, by reason of material damage, destruction or condemnation of any Component, or defects in title to any Component, there is substantial interference with the use, occupancy or possession of any Component by the City. The amount of annual rental abatement shall be such that the resulting Base Rental in respect of the Property in any Base Rental Period during which such interference continues, excluding any amounts described in clauses (a), (b) or (c) above, do not exceed the fair rental value of the Property for such Base Rental Period with respect to which there has not been substantial interference, as evidenced by a certificate of a City Representative. Such abatement shall continue for the period commencing with the date of such damage, destruction, condemnation or discovery of such title defect and ending with the restoration of the affected Component to tenantable condition or correction of the title defect. In the event of any such damage, destruction, condemnation or title defect, the Sublease shall continue in full force and effect, except as set forth in the provisions of the Sublease with respect to application of insurance proceeds or eminent domain.

### **Insurance**

Pursuant to the Sublease, the City has covenanted to secure and maintain or cause to be secured and maintained at all times throughout the term of the Sublease with insurers of recognized responsibility

or through a program of self-insurance or alternative risk management to the extent specifically permitted in the Sublease, all coverage on the Property required by the Sublease and set forth below. Such insurance shall consist of the following coverages:

(a) Fire and lightning insurance (with an extended coverage endorsement and with a vandalism and malicious mischief endorsement) on all structures, facilities and improvements constituting the Property in an amount equal to the lesser of (i) one hundred percent (100%) of the replacement cost of such structures, facilities and improvements (less a commercially reasonable deductible amount) or (ii) the aggregate principal amount of the Funding Commitments. Said extended coverage endorsement shall, in addition to the fire and lightning insurance referenced above, cover loss or damage by explosion, windstorm, hail, riot, civil commotion, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such endorsement, if such coverage is commercially available in reasonable amounts at reasonable cost on the open market from reputable insurance companies.

(b) General liability and automobile insurance which, at a minimum, equates to the following insurance coverage and provision, naming the Corporation and the City, their members, officers, agents and employees as insureds. Said insurance coverage shall insure said parties against liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Said insurance coverage shall provide coverage for bodily and personal injury, death and property damage per occurrence. The insurance coverage required under this paragraph shall initially be provided through a program of alternative risk management in accordance with the Sublease as set forth below.

(c) Earthquake insurance in an amount equal to the maximum probable loss of all Components of the Property, as determined by the City's Risk Manager, unless, based upon the written recommendation of the City's Risk Manager annually filed by the City with the Trustee, it is not obtainable in reasonable amounts at reasonable cost on the open market from reputable insurance companies.

(d) Rental interruption insurance to cover loss, total or partial, of the use of any Component as a result of any of the hazards covered by the insurance required pursuant to clause (a) and (c) above, in an amount sufficient at all times to pay the Maximum Base Rental payable under the Sublease with respect to such Component for a period equal to 24 months, assuming an interest rate of 5% on the Notes.

(e) A CLTA policy or policies of title insurance for all Components in an amount not less than the aggregate principal amount of the Funding Commitments. Such policy or policies of title insurance shall show title to the particular Component covered by such policy in the name of the Corporation or the City, subject to the Sublease and such other encumbrances as will not, in the opinion of the Corporation, the City and the Banks, materially affect the use, occupancy and possession of the Component and will not result in the abatement of Base Rental payable by the City under the Sublease with respect to such Component.

All policies of insurance required by the Sublease shall be in form certified by the Risk Manager to be in compliance with the requirements of the Sublease, and shall name the Trustee and the Banks as additional insureds and as loss payees. The City shall pay when due the premiums for all insurance policies required by the Sublease, and promptly shall furnish evidence of such payments to the Corporation and, upon request, to the Banks. All insurance required under the Sublease shall be primary to any other insurance available to the Corporation and the Trustee, and shall apply separately to each insured against whom claim is made or suit is brought and shall provide that the Trustee and the Banks shall be given thirty (30) days' prior written notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby, provided that such separate coverage shall not increase the

limit of liability under any such insurance. All insurance required to be maintained pursuant to the Sublease may be maintained either separately or as a part of or in conjunction with any other insurance coverage carried by the City. The Trustee shall not be responsible for the sufficiency of any insurance required by the Sublease and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee.

Notwithstanding anything in the insurance provisions of the Sublease to the contrary, the City shall have the right to adopt additional programs of self-insurance or alternative risk management programs to insure against any of the risks required to be insured against under the terms of the Sublease (except insurance coverage against loss of rental income as required by the Sublease or the title insurance required by the Sublease), in whole or in part. Any such additional alternative risk management program must be approved as reasonable and appropriate by the Risk Manager. The approval of the Risk Manager shall be in the form of a report on the nature of the program and the adequacy of its funding which shall be prepared and filed annually with the Trustee and the Banks during any period when such program is in effect, commencing on or prior to the date such program is implemented. If such annual approving report is not timely filed with the Trustee and the Banks, the Trustee or any Bank may notify the City in writing and thereupon the City shall immediately obtain insurance as required by the Sublease or promptly file the annual approving report. In addition, the City Administrative Officer of the City may, if it is in the best interests of the City, approve such other types of insurance, including any increases in the insurance coverage required by this provision, upon the recommendation of a Risk Manager, or in connection with obtaining or maintaining any rating on the Commercial Paper Notes.

### **Replacement; Maintenance and Repairs**

The City shall, at its own expense, during the Sublease Term, maintain each Component, or cause the same to be maintained, in good order, condition and repair and shall repair or replace any Component which is destroyed or damaged to such an extent that there is substantial interference with the use and possession of such Component by the City which would result in an abatement of Rental Payments or any portion thereof pursuant to the terms of the Sublease, subject to the availability of sufficient insurance proceeds to pay for such repair or replacement; *provided, however*, that the City shall not be required to repair or replace any Component pursuant to the Sublease if there shall be applied to the payment and retirement of Outstanding Notes insurance proceeds, condemnation proceeds or other legally available funds sufficient to pay and retire Notes Outstanding and to pay other amounts owing to the Banks such that (i) the sum of the aggregate principal amount of all Outstanding Commercial Paper Notes plus the amount of any Advances then outstanding under the Revolving Notes following the application of such amounts does not exceed the Maximum Principal Amount (as modified assuming the termination of the Sublease with respect to such damaged, destroyed or taken Component pursuant to the terms of the Sublease, and assuming the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease) and (ii) the resulting Base Rental payments on the unaffected portions of the Property payable pursuant to the Sublease in any Base Rental Period following the application of such amounts are sufficient to pay in such Base Rental Period the principal of and interest on an aggregate principal amount of Notes (including Revolving Notes) assuming that, on an aggregate basis, an aggregate principal amount of Commercial Paper Notes plus the amount of Advances under the Revolving Notes are Outstanding in an aggregate principal amount equal to the Maximum Principal Amount (as modified assuming the termination of the Sublease with respect to such damaged, destroyed or taken Component pursuant to the Sublease, and assuming the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease), to the extent due and payable in any such subsequent Base Rental Period following the application of such amounts.

The City shall provide or cause to be provided all security service, custodial service, janitorial service and other services necessary for the proper upkeep and maintenance of each Component. It is understood and agreed that in consideration of the payment by the City of the Rental Payments provided for in the Sublease, the City is entitled to possession of each Component and the Corporation shall have no obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of such Component during the Sublease Term with respect to such Component. The Corporation shall not be required at any time to make any improvements, alterations, changes, additions, repairs or replacements of any nature whatsoever in or to any Component. The City has expressly waived the right to make repairs or to perform maintenance of any Component at the expense of the Corporation and (to the extent permitted by law) has waived the benefit of Sections 1932, 1941 and 1942 of the California Civil Code relating thereto. The City shall keep each Component free and clear of all liens, charges and encumbrances other than Permitted Encumbrances.

### **Taxes, Other Governmental Charges and Utility Charges**

The City has covenanted in the Sublease to pay during the Sublease Term with respect to each Component as the same respectively become due, all taxes (except for income or franchise taxes, if any, of the Corporation), utility charges and governmental charges of any kind whatsoever, if any, that may at any time be lawfully assessed or levied against or with respect to each such Component; provided, however, that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are accrued during such time as the Sublease is in effect with respect to such Component; provided, further, that the City may contest in good faith the validity or application of any tax, utility charge or governmental charge in any reasonable manner which does not adversely affect the right, title and interest of the Corporation or the Trustee in and to any Component or its rights or interests under the Sublease or subject any portion of any Component to loss or forfeiture. Any such taxes or charges shall constitute Additional Rental under the Sublease and shall be payable directly to the entity assessing such taxes or charges.

### **Application of Insurance Proceeds and Condemnation Awards**

*General.* All proceeds of insurance received in respect of destruction of or damage to any portion of any Component by fire, earthquake or other casualty or event shall be paid to the Trustee for application in accordance with the provisions of the Trust Agreement. If there is an abatement of Rental Payments pursuant to the terms of the Sublease as a result of such casualty or event, and the City elects pursuant to the Trust Agreement to apply such insurance to the payment and retirement of Notes rather than to the replacement or repair of the destroyed or damaged Component, then the Sublease shall terminate with respect to the destroyed or damaged Component as of the later of the date of such election by the City or the date the amount required by the Trust Agreement is received by the Trustee. If the City elects, pursuant to the Trust Agreement to apply such proceeds to the repair or replacement of the portion of any Component which has been damaged or destroyed, in the event there has been an abatement of Rental Payments pursuant to the terms of the Sublease, then Rental Payments without any abatement shall again begin to accrue with respect thereto upon repair or replacement of such portion of such Component.

Pursuant to the Trust Agreement, if any portion of the Property shall be damaged or destroyed, or shall be taken by eminent domain proceedings, the City shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, subject to the availability of sufficient insurance proceeds to pay for such repair or replacement, unless the City elects not to repair or replace the Property in accordance with the Trust Agreement as set forth below.



All proceeds of insurance (including any rental interruption) received in respect of destruction of or damage to any portion of any Component by fire, earthquake or other casualty or event shall be paid to the Trustee for application as set forth below.

The proceeds of any insurance (other than any rental interruption, which shall be transferred by the Trustee to the Issuing and Paying Agent, on behalf of the Trustee, for deposit in the Base Rental Account pursuant to the Trust Agreement), including the proceeds of any self-insurance fund and of any condemnation award, received on account of any damage, destruction or taking of the Property or portion thereof shall as soon as possible be deposited in the Insurance and Condemnation Proceeds Fund which it shall establish upon such deposit and made available for and, to the extent necessary, shall be applied to the cost of repair or replacement of the Property or affected portion thereof upon receipt of a written request of a City Representative. Pending such application, such proceeds shall be invested by the Trustee solely at the written direction of a City Representative, in Qualified Investments that mature not later than the date such moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, a City Representative shall, within 180 days of the occurrence of the event of damage, destruction or taking, notify the Trustee in writing of whether the City intends to replace or repair the Property or the portions of the Property which were damaged or destroyed, subject to the availability of sufficient insurance proceeds to pay for such repair or replacement. If the City elects to replace or repair the Property or portions thereof, subject to the availability of sufficient insurance proceeds to pay for such repair or replacement, the City shall deposit with the Trustee the full amount of any insurance deductible to be credited to the Insurance and Condemnation Proceeds Fund.

In the event of damage, destruction or taking that results in an abatement of rental payments pursuant to the Sublease, then the City shall be required to repair or replace any Component which is destroyed or damaged to such an extent that there is substantial interference with the use and possession of such Component by the City which would result in an abatement of Rental Payments or any portion thereof pursuant to the Sublease, subject to the availability of sufficient insurance proceeds to pay for such repair or replacement; *provided, however*, that the City shall not be required to repair or replace any Component pursuant to the Sublease if there shall be applied to the payment and retirement of Outstanding Notes insurance proceeds, condemnation proceeds or other legally available funds sufficient to pay and retire Notes Outstanding and to pay other amounts owing to the Banks such that (i) the Notes Outstanding following the application of such amounts does not exceed the Maximum Principal Amount (as modified assuming the termination of the Sublease with respect to such damaged, destroyed or taken Component pursuant to the Sublease, and assuming the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease) and (ii) the resulting Base Rental payments on the unaffected portions of the Property payable pursuant to the Sublease in any Fiscal Year following the application of such amounts are sufficient to pay in such Fiscal Year the principal of and interest on an aggregate principal amount of Notes assuming such Notes are Outstanding in an aggregate principal amount equal to the Maximum Principal Amount (as modified assuming the termination of the Sublease with respect to such damaged, destroyed or taken Component pursuant to the Sublease, and assuming the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease), to the extent due and payable in any such subsequent Fiscal Year following the application of such amounts. Any amounts received by the Trustee under the Trust Agreement in excess of the amount needed to either repair or replace a damaged, destroyed or taken portion of the Property shall be transferred to the Base Rental Account to the extent of any delinquent Base Rental, with the remainder, if any, transferred to the City. In the event of the retirement of Commercial Paper Notes in connection with the damage, destruction or taking of any of the Property, the City shall direct the Issuing and Paying Agent not to issue new Commercial Paper Notes to pay the principal of and interest on such maturing Commercial Paper Notes to be so retired as determined by the City.

*Title Insurance.* All proceeds of any policy of title insurance received in respect of the Property shall be paid to the Trustee for application as set forth below. Proceeds of any policy of title insurance received by the Trustee in respect of the Property shall as soon as possible be deposited in the Insurance and Condemnation Proceeds Fund which it shall establish upon such deposit and applied and disbursed by the Trustee as follows:

(a) If the Corporation and the City (i) determine that the title defect giving rise to such proceeds has not materially affected the use and possession of the Property and will not result in any abatement of Base Rental payable by the City under the Sublease, and (ii) have provided the Trustee with written evidence of such determination, such proceeds shall be remitted to the City.

(b) If the Corporation and the City determine that such title defect will result in an abatement of Base Rental payable by the City under the Sublease, then the Trustee shall apply such amounts to the payment and retirement of Notes Outstanding and to pay other amounts owing to the Banks such that (i) the Notes Outstanding following the application of such amounts does not exceed the Maximum Principal Amount (as modified to disregard the Property subject to such title defect and assuming the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease) and (ii) the resulting Base Rental payments on the unaffected portions of the Property payable pursuant to the Sublease in any Fiscal Year following the application of such amounts are sufficient to pay in such Fiscal Year the principal of and interest on an aggregate principal amount of Notes assuming such Notes are Outstanding in an aggregate principal amount equal to the Maximum Principal Amount (as modified to disregard the Property subject to such title defect and assuming the corresponding adjustment to Maximum Base Rental for each Base Rental Period during the remainder of the term of the Sublease), to the extent due and payable in any such subsequent Fiscal Year following the application of such amounts. Any amounts received by the Trustee under the Trust Agreement in excess of the amount needed to either repair or replace a damaged, destroyed or taken portion of the Property shall be transferred to the Base Rental Account to the extent of any delinquent Base Rental, with the remainder, if any, transferred to the City. In the event of the retirement of Commercial Paper Notes in connection with the damage, destruction or taking of any of the Property, the City shall direct the Issuing and Paying Agent not to issue new Commercial Paper Notes to pay the principal of and interest on such maturing Commercial Paper Notes to be so retired as determined by the City.

## **Eminent Domain**

*Total Condemnation.* If any Component, or so much thereof as to render the remainder of such Component unusable for the City's purposes under the Sublease, shall be taken under the power of eminent domain, then the Sublease shall terminate with respect to such Component as of the day possession shall be so taken or as of the date of entry of the interlocutory judgment.

*Partial Condemnation.* If less than a substantial portion of any Component shall be taken under the power of eminent domain, and the remainder is useable for the City's purposes, then the Sublease shall continue in full force and effect as to the remaining portions of such Component, subject only to such rental abatement as is required by the terms of the Sublease. The City and the Corporation have waived the benefit of any law to the contrary. Any award made in eminent domain proceedings for the taking shall be paid to the Trustee for application in accordance with the provisions of the Trust Agreement. If the City elects, pursuant to the Trust Agreement, to apply such proceeds to the replacement of the condemned portion of any Component, in the event there has been an abatement of Rental Payments pursuant to the terms of the Sublease, then Rental Payments without any abatement shall again begin to accrue with respect thereto upon replacement of the Component.

## **Liens; Permitted Encumbrances**

The City has covenanted to promptly pay or cause to be paid all sums of money that may become due for any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about any Component and which may be secured by any mechanic's, materialman's or other lien against such Component, or the interest of the Corporation therein, and shall cause each such lien to be fully discharged and released; provided, however, that the City or the Corporation (a) may contest any such claim or lien without payment thereof so long as such non-payment and contest stays execution or enforcement of the lien, but if such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not stayed, or if stayed and the stay thereafter expires, then and in any such event the City shall forthwith pay and discharge such judgment or lien, or (b) delay payment without contest so long as and to the extent that such delay will not result in the imposition of any penalty or forfeiture. Additionally, subject to the provision of the Sublease described under "—Assignment and Sublease; Addition, Substitution or Release of Property—Assignment and Sublease" below, the Corporation and the City will not create or suffer to be created any lien, charge or encumbrance upon the Property, or upon any real or personal property essential to the operation of the Property, except Permitted Encumbrances. The Corporation and the City will not sell or otherwise dispose of any portion of the Property or any other property essential to the proper operation of the Property.

## **Assignment and Sublease; Addition, Substitution or Release of Property**

*Assignment and Sublease.* The City shall not, after June 21, 2019, mortgage, pledge, assign or transfer any interest of the City in the Sublease by voluntary act or by operation of law, or otherwise; provided, however, that the City may, after June 21, 2019, with the prior written consent of the Banks, which consent shall not be unreasonably withheld, sublease all Property or any Component thereof, or may grant concessions to others involving the use of the Property or any Component, whether such concessions purport to convey a leasehold interest or a license to use such Property or Component; provided, further, however, that such sublease or grant shall be subject to the terms of the Sublease and of the Trust Agreement. Subject to the limitations set forth in the Sublease, the City shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under the Sublease, notwithstanding any subletting or granting of concessions which may be made. Nothing contained in the Sublease shall be construed to relieve the City of its obligation to pay Base Rental and Additional Rental with respect to each Component as provided in the Sublease or to relieve the City of any other obligations contained therein. In no event shall the City sublease to or permit the use of all or any part of any Component by any person so as to cause interest on any Series A Commercial Paper Notes to be includable in gross income for federal income tax purposes or interest on the Commercial Paper Notes to be subject to State personal income tax.

The Corporation has, concurrently with the execution of the Sublease, pledged and assigned all of its right, title and interest in and to the Sublease (except for its right to payment of its expenses specified in the Sublease, its right to indemnification pursuant to the terms of the Sublease and its right to receive certain notices under the terms of the Sublease), including without limitation its right to receive Base Rental payable under the Sublease and to enforce its remedies thereunder, to the Trustee, on behalf of the Owners of the Commercial Paper Notes and the Banks, pursuant to the Trust Agreement and the Assignment Agreement, and the City has approved such pledge and assignment in the Sublease. The parties have further agreed to execute any and all documents necessary and proper in connection therewith.

*Addition, Substitution or Release of Property.* Notwithstanding the provision of the Sublease described under "—Assignment and Sublease" above, if no default or event of default has occurred and is

continuing under the Sublease or under any Reimbursement Agreement, the City may acquire from the Corporation, free and clear of the Corporation's rights under the Sublease and the Site Lease, the release or substitution of any Component, subject to the requirements set forth in the Trust Agreement with respect to amendments to the Sublease, Site Lease or Assignment Agreement, or the City may add a component or other property to the Sublease and the Site Lease, subject to the requirements set forth in the Trust Agreement with respect to amendments to the Sublease, Site Lease or Assignment Agreement.

*Additions, Modifications and Improvements.* The City shall have the right during the Sublease Term to make any additions, modifications or improvements to any Component, to attach fixtures, structures or signs, and to affix any personal property to any Component, so long as such additions, modifications or improvements shall not in any way damage the Component or cause the Component to be used for purposes other than those authorized under the provisions of State or federal law and upon completion thereof the annual fair market rental value of the Component after completion, in each Base Rental Period during the remaining term of the Sublease, is at least equal to the Maximum Base Rental prior to said addition, modification or improvement, as determined by the City on the basis of an appraisal of the Property after said completion conducted by a qualified appraiser (who may be an employee of the City). Notwithstanding the foregoing, the City shall have the additional right during the Sublease Term to make any additions, modifications or improvements to any Component (and in connection therewith, demolition and/or removal of any damaged, worn, obsolete or dilapidated portions of any improvement on any Component to make room for any such additions, modifications or improvements), to attach fixtures, structures or signs, and to affix any personal property to any Component as contemplated by the ENA or the agreements by and between the City and Anschutz Entertainment Group, Inc., L.A. Arena Land Company, Inc., or related entities, contemplated by the ENA. Title to all fixtures, equipment or personal property affixed by the City on any Component shall remain in the City. Title to any personal property, improvements or fixtures affixed on any Component by any sublessee or licensee of the City shall be controlled by the sublease or license agreement between such sublessee or licensee and the City, which sublease or license agreement shall not be inconsistent with the Sublease.

#### **Amendments to Trust Agreement; Amendments to Site Lease, Sublease and Assignment Agreement**

*Amendments to Trust Agreement.* The Trust Agreement may be amended only in writing by agreement among the City, the Corporation and the Trustee with the written consent of the Banks. No such modification or amendment shall (i) extend the maturity of or reduce the interest rate on any Commercial Paper Note or otherwise alter or impair the obligation of the Corporation to pay the principal or interest at the time and place and at the rate and in the currency provided therein of any Commercial Paper Note without the express written consent of the Owner of such Commercial Paper Note, or (ii) without its written consent thereto, modify any of the rights or obligations of the Trustee.

*Amendments to Site Lease, Sublease and Assignment Agreement.* (a) The Site Lease, the Sublease and the Assignment Agreement may be amended in writing by agreement between the parties thereto with the written consent of the Banks. The City may, with the consent of the Banks (other than as provided in (d) below), amend the Site Lease, the Sublease and the Assignment Agreement to substitute other real property and/or improvements (the "Substituted Property") for existing Property or to remove real property or improvements from the definition of Property upon compliance with all of the conditions set forth in subsections (b) and (c) below. After a substitution or removal, the part of the Property for which the substitution or removal has been effected shall be released from the leasehold under the Site Lease, the Sublease and the Assignment Agreement. The City may amend the Site Lease, the Sublease and the Assignment Agreement to add real property and/or improvements (the "Additional Property") upon compliance with all of the conditions set forth in subsection (e) below.

(b) No substitution of Property shall take place until the City delivers to the Corporation, the Trustee and the Banks the following:

(i) A written description of all or part of the Property to be released and a description of the Substituted Property to be substituted in its place;

(ii) A Certificate of the City stating that the annual fair market rental value of the Property after a substitution, in each Base Rental Period during the remaining term of the Sublease, is at least equal to the Maximum Base Rental prior to said substitution, as determined by the City on the basis of an appraisal of the Property after said substitution conducted by a qualified appraiser (who may be an employee of the City);

(iii) A valid lease ordinance with respect to the Substituted Property;

(iv) An opinion of Note Counsel to the effect that the amendments to the Site Lease, the Sublease and the Assignment Agreement contemplating substitution have been duly authorized, executed and delivered and constitute the valid and binding obligations of the City and the Corporation, as applicable, enforceable in accordance with their respective terms;

(v) (A) A policy of title insurance in an amount such that the total title insurance on the Property in favor of the Trustee and the Banks is not less than the aggregate amount of the Funding Commitments, insuring the City's leasehold interest in the substituted Property (except any portion thereof which is not real property) subject only to Permitted Encumbrances, together with an endorsement thereto making said policy payable to the Banks and the Trustee for the benefit of the Owners of the Commercial Paper Notes and (B) in the event of a partial removal, evidence that the title insurance in effect immediately prior thereto is not affected;

(vi) An opinion of Special Tax Counsel that the substitution does not cause the interest on any Series A Commercial Paper Notes to be includable in gross income of the Owners thereof for federal income tax purposes;

(vii) Evidence that the City has complied with the insurance covenants contained in the Sublease and the Reimbursement Agreements with respect to the Substituted Property; and

(viii) Evidence that the City has provided written notification regarding substitution or removal to each Rating Agency then maintaining a rating on the Commercial Paper Notes not less than five (5) days prior to such substitution.

(c) No removal of Property shall take place until the City delivers to the Corporation, the Trustee and the Banks the following:

(i) A written description of all or part of the Property to be released;

(ii) A Certificate of the City stating that the annual fair market rental value of the Property after removal, in each Base Rental Period during the remaining term of the Sublease, is at least equal to the Maximum Base Rental prior to said removal, as determined by the City on the basis of an appraisal of the Property after said removal conducted by a qualified appraiser (who may be an employee of the City);

(iii) An opinion of Note Counsel to the effect that the amendments to the Site Lease, the Sublease and the Assignment Agreement contemplating removal have been duly authorized, executed and

delivered and constitute the valid and binding obligations of the City and the Corporation, as applicable, enforceable in accordance with their respective terms;

(iv) An opinion of Special Tax Counsel that the removal does not cause the interest on any Series A Commercial Paper Notes to be includable in gross income of the Owners thereof for federal income tax purposes;

(v) Evidence that the City has complied with the insurance covenants contained in the Sublease and the Reimbursement Agreements with respect to the Substituted Property; and

(vi) Evidence that the City has provided written notification regarding removal to each Rating Agency then maintaining a rating on the Commercial Paper Notes not less than five (5) days prior to such release.

(d) Notwithstanding the above, the Corporation and the City may, in connection with a reduction of a Funding Commitment, remove Property from the Site Lease, the Sublease and the Assignment Agreement without the consent of the Banks, but with 30 days' prior written notice to the Banks, if the conditions set forth in the paragraph (c) (other than (c)(ii)(A)) have been met and the fair market value of the remaining Property, based on the fair market value of such Property determined in connection with the first issuance of the Commercial Paper Notes, is at least equal to the aggregate amount of the Funding Commitments after such reduction. Any removal of Property not made in connection with a reduction of a Funding Commitment shall comply with all of the requirements of paragraph (c).

(e) No addition of Property shall take place until the City delivers to the Banks, the Corporation and the Trustee the following:

(i) A Certificate of the City setting forth the Base Rental, if any, for such Additional Property;

(ii) Executed amendments or supplements to the Site Lease, the Sublease and the Assignment Agreement setting forth, among other things, (A) a written, legal description of the Additional Property, (B) the term of the Site Lease, the Sublease and the Assignment Agreement for the Additional Property, and, (C) in the case of the Sublease, a schedule setting forth the additional Base Rental which may be payable with respect to such Additional Property;

(iii) A valid lease ordinance with respect to the Additional Property;

(iv) An opinion of Note Counsel to the effect that the amendments or supplements to the Site Lease, the Sublease and the Assignment Agreement contemplating the addition of Additional Property have been duly authorized, executed and delivered and constitute the valid and binding obligations of the City and the Corporation, as applicable, enforceable in accordance with their respective terms;

(v) An opinion of Special Tax Counsel that the addition of Additional Property does not cause the interest on any Series A Commercial Paper Notes to be includable in gross income of the Owners thereof for federal income tax purposes;

(vi) Evidence that the City has complied with the insurance covenants contained in the Sublease and the Reimbursement Agreements with respect to the Additional Property; and

(vii) a policy of title insurance in an amount, if any, necessary to cause the total title insurance on the Property in favor of the Trustee and the Banks to be not less than the aggregate amount of the Funding Commitments, insuring the City's leasehold interest in the additional Property (except any portion thereof which is not real property) subject only to Permitted Encumbrances, together with an endorsement thereto making said policy payable to the Banks and the Trustee for the benefit of the Owners of the Commercial Paper Notes.

### **Default by City under Sublease**

*Events of Default under Sublease.* The following shall be "Events of Default" under the Sublease and the terms "Events of Default" and "default" shall mean, whenever they are used in the Sublease, any one or more of the following events:

(a) If default shall be made in the due and punctual payment of principal of or interest on any Commercial Paper Notes or the Revolving Notes when and as the same shall become due and payable;

(b) If the City shall fail to pay to the Trustee any Rental Payment with respect to any Component as and when the same shall become due and payable;

(c) If the City shall breach any other terms, covenants or conditions contained in the Sublease or in the Trust Agreement and shall fail to remedy any such breach with all reasonable dispatch within a period of 60 days after written notice thereof from the Corporation, or its assignee, to the City, or, if such breach cannot be remedied within such 60-day period, shall fail to institute corrective action within such 60-day period and diligently pursue the same to completion, then and in any such event the City shall be deemed to be in default under the Sublease;

(d) Failure by the Corporation to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Trust Agreement, the Sublease, and the Site Lease, other than such failure as may constitute an Event of Default under clause (b) described above, for a period of 60 days after written notice specifying such failure and requesting that it be remedied has been given to the Corporation by the Trustee or to the Corporation and the Trustee by the Owners of not less than a majority in aggregate principal amount of the Commercial Paper Notes then Outstanding or if the failure stated in the notice cannot be corrected within such 60-day period, then the Corporation shall fail to institute corrective action within such 60-day period and diligently pursue the same to completion.

(e) The Corporation or the City shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) admit in writing its inability generally to pay its debts as they become due or (vii) take action for the purpose of effecting any of the foregoing; or

(f) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Corporation or the City, or of a substantial part of their respective property, under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law or (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar official for the Corporation or the City or for a substantial part of their respective property, and such proceeding or petition shall continue undismissed for 60 days or an

order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for 30 days.

*Remedies on Default.* Subject to the rights of the Banks upon default set forth in the Sublease, the Corporation or its assignee shall have the right, at its option, without any further demand or notice (a) to reenter any Component and eject all parties in possession therefrom and, without terminating the Sublease, relet the Component as the agent and for the account of the City upon such terms and conditions as the Corporation may deem advisable, in which event the rents received on such reletting shall be applied first to the expenses of reletting and collection, including expenses for repair or restoration of the Component to its original condition (taking into account normal wear and tear), reasonable attorneys' fees and any real estate commissions actually paid, and second to Base Rental with respect to such Component in accordance with the Sublease and the Trust Agreement and third to Additional Rental with respect to such Component in accordance with the Sublease; provided, that if a sufficient sum shall not be realized to pay such sums and other charges then the City shall pay to the Corporation any net deficiency existing on the date when the Base Rental or Additional Rental with respect to such Component is due under the Sublease; provided, however, that such reentry and reletting shall be done only with the consent of the City, which consent will be irrevocably given; or (b) in lieu of the above, so long as the Corporation does not terminate the Sublease or the City's possession of any Component, to enforce all of its rights and remedies under the Sublease, including the right to recover Base Rental payments as they become due under the Sublease pursuant to Section 1951.4 of the California Civil Code and to otherwise enforce performance by the City, and to pursue any remedy available in law or in equity, except as expressly provided in the Sublease. Any reentry shall be allowed by the City without hindrance, and the Corporation shall not be liable in damages for any reentry or be guilty of trespass. Notwithstanding any other provision of the Sublease or the Trust Agreement, in no event shall the Corporation have the right to accelerate the payment of any Base Rental with respect to the Property under the Sublease.

Each and every remedy of the Corporation or any assignee of the rights of the Corporation under the Sublease is cumulative and the exercise of one remedy shall not impair the right of the Corporation or its assignee to any or all other remedies. If any covenant validly shall limit the remedies given to the Corporation or any assignee of the rights of the Corporation under the Sublease, the Corporation or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

All damages and other payments received by the Corporation pursuant to this provision of the Sublease shall be applied in the manner set forth in the Trust Agreement.

In furtherance of the foregoing, the City and the Corporation have agreed that: (i) the City and the Corporation will simultaneously mail to the Banks a copy of any notice given by one to the other; (ii) prior to taking any action upon a default by the other party or its assignee in the performance of any obligation under the terms of the Sublease, the City and the Corporation shall provide written notice thereof to the Banks and thereupon the Banks shall have the right, but not the obligation, to cure any such default. In that connection, neither the City nor the Corporation will take any action to effect a termination of the Sublease or to re-enter or take possession of the Property or any Component as a consequence of such default except upon the prior written direction of the Banks. Furthermore, if the Sublease shall be rejected or disaffirmed pursuant to any bankruptcy law or other law affecting creditors' rights or if the Sublease is terminated for any other reason whatsoever, the Corporation and the City will each use its best efforts to enter into a new lease of the Property at the request of the Banks for the remainder of the term of the Sublease, effective as of the date of such rejection or disaffirmance or termination. So long as any Credit Facility is in effect or any obligations payable to the Banks under the Reimbursement Agreements remain unsatisfied, (i) the Corporation will not accept a voluntary surrender



of the Sublease and (ii) the Sublease shall not be modified in any material respect without, in each case, the prior written consent of the Banks. Any provision in the Sublease to the contrary notwithstanding, the Trustee shall exercise the remedies provided for under the Sublease only if and as directed or consented to in writing by all of the Banks and shall not waive any Event of Default without the prior written consent of all of the Banks; provided, that in each such instance, the Banks shall only include a Bank for only so long as the applicable Credit Facility is in effect and so long as such Bank has not failed to honor a properly presented and conforming drawing on such Credit Facility. Anything in the Sublease to the contrary notwithstanding, the Banks may enter into a written agreement among the Banks appointing one of such Banks to act on their behalf (the "Bank Agent") in connection with any direction or consent provided for in the section of the Sublease relating to Events of Default, and in such event any such direction or consent of the Bank Agent shall constitute the direction or consent of the Banks under such section of the Sublease.

The waiver by the Corporation of any breach by the City, and the waiver by the City of any breach by the Corporation of any term, covenant or condition of the Sublease shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition of the Sublease.

### **Events of Default under Trust Agreement**

The terms "Events of Default" and "default" shall mean, whenever they are used in the Trust Agreement, any Event of Default specified in the Sublease.

### **Notice of Events of Default under Trust Agreement**

In the event the Corporation or the City is in default, the Trustee shall give notice of such default to the Owners, the Banks and to each Rating Agency. Such notice shall state that the Corporation or the City is in default and shall provide a brief description of such default. The Trustee in its discretion may withhold notice if it deems it in the best interests of the Owners. The notice provided for in this provision shall be given by first-class mail, postage prepaid, to the Owners within 30 days of such occurrence of default.

### **Remedies on Default under Trust Agreement**

Upon the occurrence and continuance of any Event of Default specified in the Sublease, the Trustee may, with the written consent of the Banks, proceed (and upon written request of the Banks or the Owners of not less than a majority in aggregate principal amount of the Commercial Paper Notes then Outstanding shall, subject to receipt of adequate indemnity as provided in the Trust Agreement, proceed), to exercise the remedies set forth in the Sublease or available to the Trustee under the Trust Agreement.

In addition to the remedies set forth in the preceding paragraph and upon the occurrence and continuance of any Event of Default specified in the Sublease, the Trustee may, and upon written request of the Banks or the Owners of not less than 25% in aggregate principal amount of the Commercial Paper Notes then Outstanding and upon being indemnified to its satisfaction therefor shall, proceed to protect and enforce the rights vested in Owners of the Commercial Paper Notes by the Trust Agreement by appropriate judicial proceedings or proceedings the Trustee deems most effectual. The provisions of the Trust Agreement and all resolutions or orders in the proceedings for the issuance of the Commercial Paper Notes shall constitute a contract with the Owners of the Commercial Paper Notes, and such contract may be enforced by any Owner of the Commercial Paper Notes by mandamus, injunction or other applicable legal action, suit, proceeding or other remedy.

Upon an Event of Default and prior to the curing thereof, the Trustee shall exercise the rights and remedies vested in it by the Trust Agreement and the Sublease with the same degree of care and skill as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

### **Commercial Paper Notes Not Subject to Acceleration**

The Commercial Paper Notes are not subject to acceleration and upon the occurrence of an Event of Default, none of the Issuing and Paying Agent, the Banks, any Owner or any other Person may accelerate the maturity of any of the Commercial Paper Notes.

### **Collection of Base Rental Payments**

The Trustee shall take any appropriate action to cause the City to pay any Base Rental payment not paid when due, upon written request and authorization by the Banks or the Owners of a majority in aggregate principal amount of the Commercial Paper Notes then Outstanding and unpaid, and upon being satisfactorily indemnified against any expense and liability with respect thereto and receiving payment for its fees and expenses.

### **No Remedy Exclusive**

No remedy conferred in the Trust Agreement upon or reserved to the Trustee or the Banks is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Trust Agreement and the Sublease, or now or hereafter existing at law or in equity, except as expressly waived therein. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee, the Banks or the Owners to exercise any remedy reserved to it or them, it shall not be necessary to give any notice other than such notice as may be required in the Trust Agreement with respect to Events of Default or by law.

### **No Additional Waiver Implied by One Waiver**

In the event any provision contained in the Trust Agreement should be breached by a party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach thereunder.

### **Action by Owners**

Subject to the right of the Banks to direct remedial proceedings under the Trust Agreement, in the event the Trustee fails to take any action to eliminate an event of default under the Sublease or Event of Default under the Trust Agreement, the Owners of a majority in aggregate principal amount of the Commercial Paper Notes then Outstanding may institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under the Sublease or the Trust Agreement, but only if such Owners shall have first made written request of the Trustee after the right to exercise such powers or right of action shall have arisen, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted therein or otherwise granted by law or to institute such action, suit or proceeding in its name, and unless, also, the Trustee shall have been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

## **Direction of Remedies by Banks**

Any provision in the Trust Agreement to the contrary notwithstanding, the Trustee shall exercise the remedies provided for under the Trust Agreement or under the Sublease or under any applicable law only if and as directed or consented to in writing by all of the Banks and shall not waive any Event of Default without the prior written consent of all of the Banks; provided, that in each such instance, the Banks shall only include a Bank for only so long as the applicable Credit Facility is in effect and so long as such Bank has not failed to honor a properly presented and conforming drawing on such Credit Facility. Anything in the Trust Agreement to the contrary notwithstanding, the Banks may enter into a written agreement among the Banks appointing one of such Banks to act on their behalf (the “Bank Agent”) in connection with any direction or consent provided for in the article of the Trust Agreement relating to Events of Default, and in such event any such direction or consent of the Bank Agent shall constitute the direction or consent of the Banks under such article of the Trust Agreement.

## **THE LEASED PROPERTY**

### **The Property**

Pursuant to the Sublease, the City has leased from the Corporation West Hall, which is located on Parcels 5 & 6, e/s L.A. Live Way, Chick Hearn Court South to Pico Boulevard, in the City and County of Los Angeles and State of California, and with a street address of 1201 South Figueroa Street, Los Angeles, Los Angeles, California (“West Hall”) of the Los Angeles Convention Center.

West Hall was originally completed in 1971. West Hall consists of a 535,920 square foot, two-story building, with a mezzanine meeting room level. Based on an appraisal dated March 14, 2019 conducted by CBRE-Valuation & Advisory Services, the land portion only of West Hall is appraised at approximately \$397 million, subject to the assumptions and qualifications set forth in the appraisal.

For additional information regarding insurance on the Property, maintenance, replacement and substitution of Property and similar matters, see “SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES” herein.

### **LACC and Adjacent Facilities**

West Hall is part of a larger exhibition and convention facility generally known as the Los Angeles Convention Center (the “LACC”), which originally opened in 1971 and is home to popular national events such as Anime Expo and the Los Angeles Auto Show. Pre-pandemic, the LACC hosted 2 million visitors a year, held 250 events annually and supported more than 11,000 jobs locally. While the COVID-19 pandemic has had significant impacts on the tourism and visitation sector which continue to be felt throughout the conventions industry, the City is hopeful that conditions will continue to improve and that the industry will return to pre-pandemic levels within the next few years. The LACC is located on approximately 54 acres in downtown Los Angeles. The oldest structure on the site is West Hall, which opened in 1971 and provides approximately 210,685 square feet of exhibition space, 21 meeting rooms, 9,230 square feet of pre-function/registration space and 1,603 parking spaces. Major expansions were undertaken in 1993 and 1997, adding South Hall, two level concourses and Kentia Hall. In total, the LACC has 720,000 square feet of exhibit space, 64 meeting rooms (150,000 square feet), and on-site parking for 5,475 cars. A four-acre landscaped open space, Gilbert Lindsay Plaza, is located in front of West Hall of the Facility. Complete support facilities include lobbies and registration areas, pre-function space, show offices, restaurants and food facilities, extensive truck loading facilities, shuttle bus and taxi access, and other amenities. Since January 2014, AEG Management LACC, LLC (AEG-LACC) has operated and maintained the LACC, including food services, pursuant to a multi-year management and

operations agreement. Convention solicitation and promotion is primarily the responsibility of the Los Angeles Tourism & Convention Board (“LATCB”), a non-profit 501(c)(6) organization that receives funding from the City. The City’s Los Angeles City Tourism Department (“CTD”) oversees the agreements with AEG-LACC and LATCB. Pursuant to an appraisal dated August 12, 2015 conducted by Riggs & Riggs, the entire LACC site, inclusive of the land portion only of West Hall, is appraised at \$1.045 billion, subject to the assumptions and qualifications as set forth in this appraisal.

A number of additional facilities are adjacent to the LACC, including a state-of-the-art sports arena known as the Crypto.com Arena (formerly known as the Staples Center) that is located at Chick Hearn Court and Figueroa Street, the L.A. Live project (“L.A. Live”) located on a 27-acre mixed-use site that provides additional dining, performance and entertainment venues, and a sports broadcasting center, and the L.A. Live parking project, which provides approximately 5,300 parking spaces.

The Property to be leased under the Sublease consists only of West Hall. The Property does not include any other portion of the LACC and or any portion of the Staples Center or L.A. Live facilities.

### **Expansion of the LACC**

[In 2016, Anschutz Entertainment Group (“AEG”) provided correspondence to the City offering to develop a LACC project that would expand the facility while also moving forward on plans to expand the JW Marriott Los Angeles LA LIVE hotel (the “JW Marriott”) via a new hotel tower. The City Council subsequently instructed City staff to work with AEG to investigate options for a partnership to expand the LACC and to negotiate a memorandum of understanding on the JW Marriott expansion. The City’s purpose for expanding and renovating the LACC is to improve the LACC as a major convention facility, thereby bringing more events to the City, promoting tourism to the City, generating more hotel room nights which contribute towards additional General Fund revenue from the transient occupancy tax, and helping spur additional private development of hotel rooms and retail.

The City and AEG have identified the LACC expansion and modernization project as one that would result in the expansion of the LACC, with at least 190,000 square feet of additional contiguous exhibit space, 55,000 square feet of additional meeting room space, at least 95,000 square feet of multi-purpose space, and a renovation of Gilbert Lindsay Plaza which supports LACC events. The project is contemplated as a Public-Private Partnership (P3) structured as a design-build-finance-operate-maintain (DBFOM) delivery approach.

On December 12, 2018, the City Council approved a series of recommendations to enter into an Exclusive Negotiating Agreement (the “ENA”) with AEG on the LACC expansion project and to proceed with negotiating a development plan including schematic designs, a financing plan, and a program for the operations and maintenance of the LACC facility. AEG subsequently formed AEG Plenary Conventions Los Angeles LLC (“APCLA”), a joint venture with Plenary Group, an infrastructure development and investment business that specializes in DBFOM P3 projects. The project experienced some delays as a result of the COVID-19 pandemic, and as a result City staff has been working to provide a comprehensive update for City Council and Mayor consideration in calendar year 2022.]

## RISK FACTORS

*The following factors, along with all other information in this Offering Memorandum should be considered by potential investors in evaluating the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. The Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes are payable from draws made under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit. Accordingly, the following section does not contain information relating to the ability of the City to make Base Rental payments. In that light, risk factors relating to the financial condition of the City and its ability to make Base Rental payments have not been included herein. The following discussion is not meant to be an exhaustive list of all of the risks associated with a purchase of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes and does not necessarily reflect the relative importance of the various risks.*

### **Expiration of Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit**

The Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit will expire on June 30, 2022, subject to extension or earlier termination in certain circumstances as described therein. If the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit is not extended or an Alternate Credit Facility is not obtained by the Corporation, Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes cannot be issued with a maturity date less than five days prior to the stated expiration or termination date of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit unless the Corporation shall have arranged for an Alternate Credit Facility with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes pursuant to the terms of the Trust Agreement. There can be no assurance that the Corporation will be able to obtain an extension of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit or an Alternate Credit Facility. The Tax-Exempt Series A-1/Taxable Series B-1 Bank is under no obligation to extend the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit beyond its scheduled expiration.

### **Bank's Obligations Unsecured**

The ability of the Tax-Exempt Series A-1/Taxable Series B-1 Bank to honor draws upon the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit is based solely upon the Tax-Exempt Series A-1/Taxable Series B-1 Bank's general credit and is not collateralized or otherwise guaranteed by the United States of America or any agency or instrumentality thereof. No provision has been made for replacement of or substitution for the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit in the event of any deterioration in the financial condition of the Tax-Exempt Series A-1/Taxable Series B-1 Bank. Neither the Corporation nor the Tax-Exempt Series A-1/Taxable Series B-1 Bank assumes any liability to any purchaser of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes as a result of any deterioration of the financial condition of the Tax-Exempt Series A-1/Taxable Series B-1 Bank. Upon any insolvency of the Tax-Exempt Series A-1/Taxable Series B-1 Bank, any claim by the Trustee against the Tax-Exempt Series A-1/Taxable Series B-1 Bank would be subject to bank receivership proceedings.

### **General Factors Affecting the Tax-Exempt Series A-1/Taxable Series B-1 Bank**

The Tax-Exempt Series A-1/Taxable Series B-1 Bank is subject to regulation and supervision by various regulatory bodies. New regulations could impose restrictions upon the Tax-Exempt Series A-1/Taxable Series B-1 Bank which would restrict its ability to respond to competitive pressures. Various legislative or regulatory changes could dramatically impact the banking industry as a whole and the Tax-Exempt Series A-1/Taxable Series B-1 Bank specifically. The banking industry is highly competitive in many of the markets in which the Tax-Exempt Series A-1/Taxable Series B-1 Bank

operates. Such competition directly impacts the financial performance of the Tax-Exempt Series A-1/Taxable Series B-1 Bank. Any significant increase in such competition could adversely impact the Tax-Exempt Series A-1/Taxable Series B-1 Bank.

Prospective purchasers of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes should evaluate the financial strength of the Tax-Exempt Series A-1/Taxable Series B-1 Bank based upon the information contained and referred to herein under the caption "LETTER OF CREDIT BANK" and other information available upon request from the Tax-Exempt Series A-1/Taxable Series B-1 Bank and should not rely upon any governmental supervision by any regulatory entity.

### **Limited Obligations of the City**

**The investment decision to purchase the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes should be made solely on the basis of the creditworthiness of the Tax-Exempt Series A-1/Taxable Series B-1 Bank, rather than the City.** Prospective investors should not rely on any source other than proceeds of drawings under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit to pay the principal and actual interest accrued on Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. If, for any reason, the Tax-Exempt Series A-1/Taxable Series B-1 Bank fails to honor a properly presented and conforming drawing under the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit, the principal and actual interest accrued on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes may not be paid when due, and the City would have no obligation to make any payments with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes apart from the City's obligation to make Base Rental payments as and when due, as more particularly described herein. The ratings assigned to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes are based on the creditworthiness of the Tax-Exempt Series A-1/Taxable Series B-1 Bank. See "RATINGS" herein.

Provided that in no circumstances shall the City be required to pay during any Base Rental Period amounts (exclusive of Additional Rental) in excess of aggregate Maximum Base Rental for all Components for such Base Rental Period, the City has covenanted to include all Minimum Required Rental Payments, Additional Rental and Minimum Supplemental Rental Payments due under the Sublease in each Fiscal Year in its annual budget and to make the necessary annual appropriations for all Minimum Required Rental Payments, Additional Rental, and Minimum Supplemental Rental Payments, subject to the abatement provisions of the Sublease. THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE SUBLEASE, NEITHER THE NOTES NOR THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

### **Abatement**

Except to the extent of (a) available amounts held by the Trustee in the Base Rental Account or the Issuing and Paying Agent in the Base Rental Payment Subaccounts or the Bank Reimbursement Subaccounts, (b) amounts, if any, received in respect of rental interruption insurance with respect to any Component, and (c) amounts, if any, otherwise legally available to the City for payments in respect of the Sublease or to the Issuing and Paying Agent for payments in respect of the Notes, Rental Payments due under the Sublease shall be subject to abatement during any period in which, by reason of material damage, destruction or condemnation of any Component, or defects in title to any Component, there is

substantial interference with the use, occupancy or possession of any Component by the City, and the resulting Rental Payments (and such other funds) may not be sufficient to pay all of the remaining principal of and interest on the Commercial Paper Notes. See “SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES—Rental Abatement.”

### **No Limitation on Incurring Additional Obligations**

Neither the Sublease nor the Trust Agreement contains any legal limitations on the ability of the City to enter into other obligations that may constitute additional charges against its General Fund revenues. To the extent that the City incurs additional obligations, the funds available to make Rental Payments may be decreased. The City is currently liable on other obligations payable from General Fund revenues and is currently contemplating entering into other such obligations.

### **Earthquake and Seismic Conditions**

The City is subject to unpredictable and significant seismic activity. A number of known faults run through the City, and the City lies near the San Andreas Fault, which is the boundary between the Pacific and North American tectonic plates. The complex Los Angeles fault system interacts with the alluvial soils and other geologic conditions in the hills and basins. This interaction appears to pose a potential seismic threat for every part of the City, regardless of the underlying geologic and soils conditions. In addition, there are likely to be unmapped faults throughout the City. The most recent major earthquake, the Northridge earthquake in 1994, occurred along a previously unmapped blind thrust fault.

It is probable that a major earthquake will occur during the Sublease Term. A major earthquake could cause widespread destruction and significant loss of life in a populated area such as the City. If an earthquake were to substantially damage or destroy taxable property within the City, a reduction in taxable values of property in the City and a reduction in revenues available to the General Fund to make Rental Payments would be likely to occur.

Seismic activity may also affect the use and occupancy of the Property. The City generally does not maintain earthquake insurance coverage against loss or damage to City property. Instead, the City relies on its general reserves as well as the expectation that some disaster relief funds, which could be minimal amounts in comparison to the losses, will be available from the Federal Emergency Management Agency (“FEMA”) to address any resulting damage from seismic activity. The City has received a waiver from the requirement under federal law that it acquire earthquake insurance on facilities that were the beneficiaries of prior FEMA grants. There is no assurance that, in the event of an earthquake, sufficient City reserves or FEMA assistance would be available for the repair or replacement of any Component. The Sublease only requires the City to maintain earthquake insurance in an amount equal to the maximum probable loss of all Components of the Property, as determined by the City’s Risk Manager, unless, based upon the written recommendation of the City’s Risk Manager annually filed by the City with the Trustee, it is not obtainable in reasonable amounts at reasonable cost on the open market from reputable insurance companies and the City’s Risk Manager has recommended that it is not obtainable in reasonable amounts at reasonable cost on the open market from reputable insurance companies, and therefore, the City does not intend to purchase such insurance coverage during the Sublease Term. The City does not have commercial property insurance coverage for damage caused by earthquake. Thus in the event of damage to any Component caused by earthquake resulting in an abatement of Rental Payments, no rental interruption or use and occupancy insurance proceeds will be available.

## **Constitutional and Statutory Limitations on Increase of Revenues**

Article XIII A (Limitation on *Ad Valorem* Tax), Article XIII B (Government Spending Limitation), Article XIII C (Voter Approval for Local Tax Levies) and Article XIII D (Assessment and Property Related Fee Reform) of the Constitution of the State of California were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time, other initiative measures may be adopted, which may affect the City's revenues and its ability to expend said revenues. The above mentioned measures and any future measures could restrict the City's ability to raise additional funds for its General Fund.

## **Limitations on Default Remedies**

In the event of nonpayment by the City of the Rental Payments, or other default by the City under the Sublease, the enforcement of any remedies provided in the Trust Agreement and in the Sublease by or on behalf of Owners of the Commercial Paper Notes could prove expensive and time consuming, or legally impeded. For example, the Trust Agreement and the Sublease provide that if there is a default by the City under the Sublease the Trustee may terminate the Sublease and re-let the Property, but such Property may not be easily re-leased and any re-letting of the Property could result in lease payments that would be substantially less than the Rental Payments payable by the City under the Sublease. Furthermore, due to the essential nature of the governmental function of the Components, it is not certain whether a court would permit the exercise of the remedies of repossession and re-letting with respect to any or all of the Property. The Trustee may exercise any and all remedies available pursuant to law or the Sublease, but the Sublease provides that there shall be no right under any circumstances to accelerate the Rental Payments not then in default to be immediately due and payable.

## **Bankruptcy**

A bankruptcy petition may be filed by the City or the Corporation. In particular, the City may file a petition under Chapter 9 ("Chapter 9") of Title 11 of the United States Code (the "Bankruptcy Code"), provided that it complies with requirements of Section 53760 et seq. of the Government Code of the State. Under the Government Code, a local public entity, including the City, is prohibited from filing under the Bankruptcy Code unless it has participated in a specified neutral evaluation process with interested parties, as defined, or it has declared a fiscal emergency and has adopted a resolution by a majority vote of the governing board at a noticed public hearing that includes findings that the financial state of the local public entity jeopardizes the health, safety, or well-being of the residents of the local public entity's jurisdiction or service area absent bankruptcy protections.

If the City were to become a municipal debtor under Chapter 9 of the Bankruptcy Code, the City would be entitled to all of the protections afforded a municipal debtor under the Bankruptcy Code, and an Owner of a Commercial Paper Note would be treated as a creditor. Possible adverse effects of a municipal bankruptcy include, but are not limited to: (a) the application of the automatic stay provisions of the Bankruptcy Code which, absent court approval, generally prohibit the commencement of any judicial or other action in non-bankruptcy court to recover a pre-petition claim against the City, any act to collect on a pre-petition claim, or any act to obtain possession of the municipal debtor's property; (b) the avoidance of preferential transfers occurring during the relevant period prior to the commencement of the bankruptcy case; (c) the existence of secured and/or unsecured creditors with allowed claims that may have priority over any claims of Owners of Commercial Paper Notes; and (d) the possibility of the bankruptcy court's confirmation of a plan of adjustment of the City's debts, which may restructure, delay, compromise or reduce the amount of the claim of the Owners. As a result of the commencement of a bankruptcy case by either the City or the Corporation, Owners of the Commercial Paper Notes could experience delays in receiving payments of principal of and interest on the Commercial Paper Notes, as



well as partial or total losses of their investments in the Commercial Paper Notes. In addition, under the Bankruptcy Code, certain provisions of the Sublease that are based on the bankruptcy, insolvency or financial condition of the City may be rendered unenforceable.

Under the Trust Agreement, the Trustee, on behalf of the Owners of the Commercial Paper Notes and the Banks, has a security interest in the Pledged Property, including Base Rental, but such security interest arises only when and as received by the Corporation and deposited with the Trustee following payment by the City. The Property is not subject to a security interest, mortgage or any other lien in favor of the Trustee for the benefit of the Owners of the Commercial Paper Notes and the Banks. In the event a bankruptcy court determines that the Sublease is an unexpired lease for purposes of the Bankruptcy Code, certain provisions of the Bankruptcy Code could impact the rights and remedies of the parties, and would allow the City to reject the Sublease, which would give rise to the Trustee's unsecured claim for unpaid rent, affect the enforceability of certain provisions of the Sublease, and have an adverse effect on the liquidity and market value of the Commercial Paper Notes.

The various legal opinions to be delivered concurrently with the Commercial Paper Notes (including Note Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by general principles of equity applied in the exercise of judicial discretion.

## **Insurance**

The Property is subject to a variety of risks of loss. Certain of these risks are described in "Environmental Concerns" below. The City directly assumes certain insurable risks without procuring commercial insurance policies. The City administers, adjusts, settles, defends and pays claims from budgeted resources. It is self-insured for workers' compensation as permitted under State law. Funds are budgeted annually to provide for claims and other liabilities based both on the City's historical record of payments and an evaluation of known or anticipated claims. See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES - Insurance" above. The Sublease permits the insurance requirements therein (other than rental interruption insurance) to be satisfied by a combination of commercial insurance and a program of self-insurance or alternative risk management approved as reasonable and appropriate by the City's Risk Manager. See "SECURITY AND SOURCES OF PAYMENT FOR THE COMMERCIAL PAPER NOTES — Insurance" above. The City currently intends to satisfy its insurance obligations under the Sublease with commercial insurance. The Sublease does not require the City to insure or self-insure against every potential risk of loss and there is a risk that damage or destruction of the Property could occur for which no insurance or City funds will be available. Such insurance does not cover, for example, acts of terrorism or certain other casualties. For example, the Property could be damaged or destroyed due to earthquake or other casualty for which the Property is uninsured. Under such circumstances, an abatement of Rental Payments could occur and could continue indefinitely.

There can be no assurance that the insurance providers will pay claims under the respective policies promptly or at all, should a claim be made by the City in connection with loss or damage to a Component under such policies. It is possible that an insurance provider will refuse to pay a claim, especially if it is substantial, and force the City to sue to collect on or settle the insurance claim. Further, there can be no assurances that amounts received as proceeds from insurance will be sufficient to pay and retire Notes Outstanding and to pay other amounts owing to the Banks as required by the Trust Agreement. The City believes that the insurance arrangements provided in the Sublease will be adequate to reasonably protect the City from the various liabilities that arise from use of the Property and to provide for the payment of Rental Payments in the event that the City loses beneficial use of the Property

due to risks for which fire and extended coverage insurance has been obtained. However, no assurance can be given that such insurance arrangements will cover all events causing damage or will be adequate to cover the payment of Rental Payments in all circumstances.

### **Eminent Domain**

If any Component, or any portion thereof, shall be taken under the power of eminent domain, there can be no assurance that condemnation proceeds will be available promptly or that the resulting Base Rental payments on the unaffected portions of the Property payable pursuant to the Sublease in any Base Rental Period following the application of such amounts will be sufficient to pay the principal of and interest on the Commercial Paper Notes as and when due.

### **Environmental Concerns**

Owners or operators of real property may be required by law to remedy conditions of a property relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response Compensation and Liability Act of 1980 or the “Superfund Act” is the most widely applicable of these laws, but California laws with regard to hazardous substances are also stringent. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition on the property whether or not the owner or operator created the hazardous substance condition.

### **Loss of Tax Exemption**

As discussed under the heading “TAX MATTERS,” certain acts or omissions of the City in violation of its covenants in the Trust Agreement, the Sublease and a Tax Certificate relating to the Series A Commercial Paper Notes could result in the interest on the Series A Commercial Paper Notes being includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Series A Commercial Paper Notes. Should such an event of taxability occur, the Series A Commercial Paper Notes would not be subject to a special prepayment and would remain Outstanding until maturity.

### **No Liability of Corporation to the Owners**

Except as expressly provided in the Trust Agreement, the Corporation will not have any obligation or liability to the Owners of the Commercial Paper Notes with respect to the payment when due of the Rental Payments by the City, or with respect to the performance by the City of other agreements and covenants required to be performed by it contained in the Sublease or the Trust Agreement, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

## **MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES**

The Municipal Improvement Corporation of Los Angeles is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (Title 1, Division 2, Part 2 of the California Corporations Code) for the purpose of providing financial assistance to the City by financing, acquiring, constructing, improving, leasing and developing certain equipment and property for the benefit of the public. The Corporation was formed at the request of the City in 1984. The Corporation is governed by a five-member Board of Directors (the "MICLA Board"). MICLA Board members were initially appointed by the Mayor in 1984. Appointments to fill subsequent vacancies are made by the MICLA Board, subject to City Council approval. The MICLA Board members do not receive compensation. The City indemnifies MICLA Board members for any liabilities occurring in connection with the performance of their duties.

## **CITY OF LOS ANGELES**

The City was incorporated in 1781. The original Charter of the City was adopted in 1850, and the current Charter of the City was adopted in 1999, with an effective date of July 1, 2000. The City is the second most populous city in the United States of America with an estimated 2021 population of approximately 3.92 million persons. With an area of 470 square miles, the City is located in the southern part of the State of California and is the principal city of a metropolitan region stretching from the City of Ventura to the north, the City of San Clemente to the south, the City of San Bernardino to the east, and the Pacific Ocean to the west.

The City is governed by the Mayor and the City Council. The Mayor is elected at-large for a four-year term. As executive officer of the City, the Mayor has the overall responsibility for administration of the City. The Mayor recommends and submits the annual budget to the Council and passes upon subsequent appropriations and transfers, approves or vetoes ordinances, and appoints certain City officials and commissioners. The Mayor supervises the administrative process of local government and works with the Council in matters relating to legislation, budget, and finance. The Mayor operates an executive department, of which he is the ex-officio head. The City Council, the legislative body of the City, is a full-time council. The City Council enacts ordinances subject to the approval of the Mayor and may override the veto of the Mayor by a two-thirds vote. The City Council orders elections, levies taxes, approves utility rates, authorizes public improvements, approves contracts, adopts zoning and other land use controls, and adopts traffic regulations. The City Council adopts or modifies the budget proposed by the Mayor. It authorizes the number of employees in budgetary departments, creates positions and fixes salaries. The City Council consists of 15 members elected by district for staggered four-year terms. The Charter of the City provides for an independently elected City Attorney and independently elected City Controller, both elected for four-year terms. The City Attorney is attorney and legal advisor to the City and to all City boards, departments, officers, and entities, and prosecutes misdemeanors and violations of the Charter and City ordinances. The Controller is the chief accounting officer for the City.

The City provides a full range of governmental services, which include police; fire and paramedics; residential refuse collection and disposal, wastewater collection and treatment, street maintenance, traffic management, storm water pollution abatement, and other public works functions; enforcement of ordinances and statutes relating to building safety; public libraries; recreation and parks and cultural events; community development; housing and aging services; and planning. The City also operates and maintains the water and power utilities, harbor and airport, all served by proprietary departments within the City.

**THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO**

LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE SUBLEASE, NEITHER THE NOTES NOR THE OBLIGATION OF THE CITY TO MAKE RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

### **FINANCIAL STATEMENTS**

The City's Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2021 (the "Financial Statements"), including the Independent Auditor's Report, are available on the City's website at [http://controller.lacity.org/City\\_Fiscal\\_Reports/index.htm](http://controller.lacity.org/City_Fiscal_Reports/index.htm) by selecting the link entitled "Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2021." No other information from such website is incorporated by reference into this Offering Memorandum. The Financial Statements and Independent Auditor's Report have been filed by the City with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) site at <http://emma.msrb.org>. No other information from such website is incorporated by reference into this Offering Memorandum. The Financial Statements have been audited by Simpson & Simpson, independent auditors. Simpson & Simpson has not consented to the inclusion by reference of its auditor's report in this Offering Memorandum and Simpson & Simpson has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Offering Memorandum, and no opinion is expressed by Simpson & Simpson or any other auditor with respect to any event subsequent to the date of its report.

### **FINANCIAL ADVISOR**

KNN Public Finance, LLC, Oakland, California, and Montague DeRose and Associates, LLC, Westlake Village, California, are serving as Co-Financial Advisors to the City in connection with the authorization and issuance of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. In connection with this Offering Memorandum, the Co-Financial Advisors have relied upon officials of the City and the Corporation and other sources, who have access to relevant data to provide accurate information for the Offering Memorandum, and the Co-Financial Advisors have not been engaged, nor have they undertaken, to independently verify the accuracy of such information. Neither Co-Financial Advisor is a public accounting firm nor has either been engaged by the City or the Corporation to compile, review, examine or audit any information in the Offering Memorandum.

### **DEALERS**

J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC are serving as Dealers for the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes.

### **CERTAIN LEGAL MATTERS**

Certain legal matters in connection with the authorization and issuance of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes are subject to the approval of Hawkins Delafield & Wood LLP, Los Angeles, California, Note Counsel. Attached to this Offering Memorandum as Appendix A-1 is the proposed form of the opinion of Note Counsel to be delivered upon the initial issuance of the Tax-Exempt Series A-1 Commercial Paper Notes. Attached to this Offering Memorandum as Appendix A-2 is the proposed form of the opinion of Note Counsel to be delivered upon the issuance of the Taxable Series B-1 Commercial Paper Notes on June 8, 2022. Certain legal matters will be passed upon for the Corporation and the City by Nixon Peabody LLP, San Francisco, California, Special Tax

Counsel. Attached to this Offering Memorandum as Appendix B-1 is the proposed form of the opinion of Special Tax Counsel to be delivered upon the initial issuance of the Tax-Exempt Series A-1 Commercial Paper Notes. Attached to this Offering Memorandum as Appendix B-2 is the proposed form of the opinion of Special Tax Counsel to be delivered upon the issuance of the Taxable Series B-1 Commercial Paper Notes on June 8, 2022. Certain legal matters will be passed on by Hawkins Delafield & Wood LLP, Los Angeles, California, as disclosure counsel to the City, and for the City and the Corporation by Michael N. Feuer, City Attorney. Certain legal matters relating to the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement will be passed upon for the Tax-Exempt Series A-1/Taxable Series B-1 Bank by Chapman and Cutler LLP, Chicago, Illinois, Special Counsel to the Tax-Exempt Series A-1/Taxable Series B-1 Bank.

## **CERTAIN RELATIONSHIPS**

U.S. Bank National Association, as the Tax Exempt Series A-1/Taxable Series B-1 Bank, subject to the terms and conditions of the Tax Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement, will issue the Tax Exempt Series A-1/Taxable Series B-1 Letter of Credit, in support of the payment of the Tax Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. U.S. Bank Trust Company, National Association, a direct wholly-owned subsidiary of U.S. Bank National Association, is also serving as Trustee and Issuing and Paying Agent for the Commercial Paper Notes. The Tax Exempt Series A-1/Taxable Series B-1 Bank and U.S. Bank Trust Company, National Association, as the Trustee and the Issuing and Paying Agent for the Commercial Paper Notes, will have separate responsibilities and duties in connection with the issuance, the sale, and the payment of the Tax Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes.

## **TAX MATTERS**

### **Series A Commercial Paper Notes**

In the opinion of Nixon Peabody LLP, Special Tax Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants set forth in the Trust Agreement, the Sublease, a Tax and Nonarbitrage Certificate (a "Tax Certificate") and other documents pertaining to the Series A Commercial Paper Notes, interest on the Series A Commercial Paper Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code. Special Tax Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

Series A Commercial Paper Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Notes") will be treated as having amortizable note premium. No deduction is allowable for the amortizable note premium in the case of notes, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Holder's basis in a Premium Note, will be reduced by the amount of amortizable note premium properly allocable to such Holder. Holders of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable note premium in their particular circumstances.

In rendering the opinions regarding the federal income tax treatment of interest on the Series A Commercial Paper Notes above, Special Tax Counsel will rely upon representations and covenants in the Trust Agreement, the Sublease, and a Tax Certificate concerning the use of the property financed or refinanced with Series A Commercial Paper Note proceeds, the investment and use of Series A Commercial Paper Note proceeds and the rebate to the federal government of certain earnings thereon and

representations and covenants to be contained in such Tax Certificate executed and delivered by the City in connection with each new issuance of Series A Commercial Paper Notes. In addition, Special Tax Counsel has assumed that all such representations are true and correct and that the City will comply with such covenants. Special Tax Counsel has expressed no opinion as to any federal, state or local tax law consequences with respect to the Series A Commercial Paper Notes, or the interest thereon, if any action is taken with respect to the Series A Commercial Paper Notes or the proceeds thereof upon the advice or approval of other counsel. Special Tax Counsel has expressed no opinion regarding the effect, if any, of legislation enacted or a court decision issued after the date of the issuance of the Series A Commercial Paper Notes on the exclusion of interest on the Series A Commercial Paper Notes from gross income for federal income tax purposes or on the exemption of such interest from California personal income taxation. No assurance can be given that any legislation or court decision could not directly or indirectly reduce the benefit of the receipt of interest which is otherwise excluded from gross income for federal income tax purposes and exempt from California personal income taxation.

Special Tax Counsel has expressed no opinion regarding the impact of ownership of, receipt of interest on, or disposition of the Series A Commercial Paper Notes other than as expressly described above. Prospective purchasers of the Series A Commercial Paper Notes should be aware that ownership of, receipt of interest on, or disposition of the Series A Commercial Paper Notes may be affected by additional federal income tax provisions. Prospective purchasers are advised to consult with their tax advisors regarding the impact of any additional federal income tax provisions on the ownership of, receipt of interest on, or disposition of the Series A Commercial Paper Notes.

The opinion of Special Tax Counsel described herein shall be deemed in effect on each Business Day during which a Series A Commercial Paper Note is outstanding to the extent that (i) the Series A Commercial Paper Note is issued pursuant to a Tax Certificate, (ii) there is no change in applicable existing state or federal law, (iii) the Trust Agreement, in the form in effect on the date of such opinion, remains in full force and effect and has not been materially amended or supplemented, (iv) the representations and covenants of the parties contained in the Trust Agreement, the Sublease, a Tax Certificate and other documents pertaining to the Series A Commercial Paper Notes, and certain certificates dated the date of an opinion of Special Tax Counsel and delivered by authorized officers of the City remain true and accurate and are complied with in all material respects, and (v) no litigation affecting the issuance or validity of the Series A Commercial Paper Notes is pending at the time of delivery of any such Series A Commercial Paper Notes. Special Tax Counsel undertakes no obligation to determine, at any time, whether the conditions described in (i) through (v) of the preceding sentence have been met.

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

Interest paid on tax-exempt obligations such as the Series A Commercial Paper Notes is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Series A Commercial Paper Notes may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered

owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

A copy of the proposed form of opinion of Special Tax Counsel to be delivered upon the initial issuance of the Tax-Exempt Series A-1 Commercial Paper Notes is attached hereto as Appendix B-1.

### **Series B Commercial Paper Notes**

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series B Commercial Paper Notes. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. The summary generally addresses the Series B Commercial Paper Notes held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series B Commercial Paper Notes as a hedge against currency risks or as a position in a "straddle," "hedge," "constructive sale transaction" or "conversion transaction" for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers except where otherwise specifically noted. Potential purchasers of the Series B Commercial Paper Notes should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series B Commercial Paper Notes.

*Generally.* Interest on the Series B Commercial Paper Notes is not excluded from gross income for federal income tax purposes under Code Section 103 and so will be fully subject to federal income taxation.

Purchasers other than those who purchase Series B Commercial Paper Notes in the initial offering at their principal amounts will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series B Commercial Paper Notes. In general, interest paid on the Series B Commercial Paper Notes will be treated as ordinary income to a Holder, and after adjustment for the foregoing principal payments will be treated as a return of capital.

*Acquisition Discount.* Certain Holders who purchase Series B Commercial Paper Notes at a price resulting in an adjusted basis that is less than the remaining redemption amount of such Series B Commercial Paper Notes will have acquisition discount that may be included in gross income prior to the final maturity of such Series B Commercial Paper Notes. Acquisition discount will be treated as accruing ratably or, at the election of the Holder, under a constant yield method based on daily compounding. Purchasers of any Series B Commercial Paper Notes who acquire such Series B Commercial Paper Notes at a discount should consult with their own tax advisors with respect to the timing of gross income under applicable federal income tax law and as to the state and local tax consequences of owning such Series B Commercial Paper Notes.

*Note Premium.* A purchaser of a Series B Commercial Paper Note who purchases such Series B Commercial Paper Note at a cost greater than its remaining redemption amount will have amortizable note premium. If the Holder elects to amortize this premium under Section 171 of the Code (which election will apply to all Series B Commercial Paper Notes held by the Holder on the first day of the taxable year to which the election applies and to all Series B Commercial Paper Notes thereafter acquired by the Holder), such a Holder must amortize the premium using constant yield principles based on the Holder's yield to maturity. Amortizable note premium is generally treated as an offset to interest income,

and a reduction in basis is required for amortizable note premium that is applied to reduce interest payments. Purchasers of any Series B Commercial Paper Notes who acquire such Series B Commercial Paper Notes at a premium should consult with their own tax advisors with respect to state and local tax consequences of owning such Series B Commercial Paper Notes.

*Sale or Redemption of Series B Commercial Paper Notes.* A Holder's tax basis for a Series B Commercial Paper Note is the price such owner pays for the Series B Commercial Paper Note plus the amount of acquisition discount previously included in income and reduced on account of any payments received on such Series B Commercial Paper Note other than "qualified stated interest" (as defined in the Code and the corresponding regulations) and any amortized note premium. Gain or loss recognized on a sale, exchange or redemption of a Series B Commercial Paper Note, measured by the difference between the amount realized and the Series B Commercial Paper Note basis as so adjusted, will generally give rise to capital gain or loss if the Series B Commercial Paper Note is held as a capital asset.

If the terms of the Series B Commercial Paper Notes are materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those which relate to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. The defeasance of the Series B Commercial Paper Notes may also result in a deemed sale or exchange of such Series B Commercial Paper Notes under certain circumstances.

*Information Reporting and Backup Withholding.* A Holder may, under certain circumstances, be subject to "backup withholding" at the applicable rate on, and to information reporting requirements with respect to, payments of principal or interest on, and to proceeds from the sale, exchange or retirement of, Series B Commercial Paper Notes. This backup withholding generally applies if the owner of a Series B Commercial Paper Note (a) fails to furnish the Trustee or other payor with its taxpayer identification number; (b) furnishes the Trustee or other payor an incorrect taxpayer identification number; (c) fails to report properly interest, dividends or other "reportable payments" as defined in the Code; or (d) under certain circumstances, fails to provide the Trustee or other payor with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to Holders, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents (as defined below). Owners of the Series B Commercial Paper Notes should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

The amount of "reportable payments" for each calendar year and the amount of tax withheld, if any, with respect to payments on the Series B Commercial Paper Notes will be reported to the Holders and to the IRS.

*Nonresident Holders.* Under the Code, interest income with respect to Series B Commercial Paper Notes held by nonresident alien individuals, foreign corporations or other non-United States persons ("Nonresidents") generally will not be subject to United States withholding tax (including backup withholding) if the City (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the Series B Commercial Paper Notes is a Nonresident. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a Nonresident Holder, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

*Surtax on Unearned Income.* Recently enacted legislation generally imposes a tax of 3.8% on the "net investment income" of certain individuals, trusts and estates for taxable years beginning after



December 31, 2012. Among other items, net investment income generally includes gross income from interest and net gain attributable to the disposition of certain property, less certain deductions. U.S. Holders should consult their own tax advisors regarding the possible implications of this legislation in their particular circumstances.

*ERISA.* The Employees Retirement Income Security Act of 1974, as amended (“ERISA”), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the “Plans”) and persons who, with respect to a Plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. All fiduciaries of Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Series B Commercial Paper Notes.

A copy of the proposed form of opinion of Special Tax Counsel to be delivered upon the issuance of the Taxable Series B-1 Commercial Paper Notes on June 8, 2022 is attached hereto as Appendix B-2.

### **State Taxes**

Special Tax Counsel is also of the opinion that interest on the Commercial Paper Notes is exempt from personal income taxes of the State of California under present State law. Special Tax Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Commercial Paper Notes nor as to the taxability of the Commercial Paper Notes or the income therefrom under the laws of any state other than California.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE COMMERCIAL PAPER NOTES.

### **RATINGS**

Fitch Ratings, Inc. and S&P Global Ratings have assigned short-term ratings of “F1+” and “A-1+,” respectively, to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes based on the issuance of the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit. Such ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that a rating will continue for any given period of time or that a rating will not be revised or withdrawn entirely by any or all of such rating agencies, if, in its or their judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market prices of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes.

## LITIGATION

There is no action, suit or proceeding pending (with service of process having been given) against the City or the Corporation or, to their knowledge, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Commercial Paper Notes, or in any way contesting or affecting the validity of the Commercial Paper Notes or any proceedings of the City or the Corporation taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Commercial Paper Notes, or challenging the corporate existence of the City or the Corporation or the entitlement to their respective offices of the officers of the City or the Corporation who will execute the Commercial Paper Notes and other agreements in connection therewith.

## BOOK-ENTRY SYSTEM

*The information concerning The Depository Trust Company and DTC's book entry system has been obtained from DTC and the Corporation takes no responsibility for the completeness or accuracy thereof. The Corporation cannot and does not give any assurances that DTC, Direct Participants (as defined herein) or Indirect Participants (as defined herein) will distribute to the Beneficial Owners (as defined herein) (a) payments of principal or interest with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, or that they will so do on a timely basis, or that DTC, Direct Participants or Indirect Participants will act in the manner described herein. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. The Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes on DTC’s records. The ownership interest of each actual purchaser of each Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, except in the event that use of the book-entry system for the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes is discontinued.

To facilitate subsequent transfers, all Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes, such as defaults, and proposed amendments to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Note documents. For example, Beneficial Owners of Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes may wish to ascertain that the nominee holding the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Tax-Exempt

Series A-1/Taxable Series B-1 Commercial Paper Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and interest on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Issuing and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuing and Paying Agent or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

None of the Corporation, the City, the Dealers, the Issuing and Paying Agent or the Tax-Exempt Series A-1/Taxable Series B-1 Bank can give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of principal of and interest on the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes paid to DTC or its nominee, as the registered Owner, or any notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Offering Memorandum.

DTC may discontinue providing its services as depository with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes at any time by giving reasonable notice to the Corporation or the Issuing and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Note certificates are required to be printed and delivered.

The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Note certificates will be printed and delivered to DTC.

In the event that the book-entry system is discontinued as described above, the requirements of the Trust Agreement will continue to apply. The foregoing information concerning DTC and DTC's book-entry system has been obtained from DTC, and none of the Corporation, the City, the Dealers, the Issuing and Paying Agent or the Tax-Exempt Series A-1/Taxable Series B-1 Bank take any responsibility for the accuracy thereof.

#### **ADDITIONAL INFORMATION**

This Offering Memorandum contains certain information for quick reference only; it is not a summary of the terms of the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes. Information essential to the making of an informed decision with respect to the Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes may be obtained in the manner described herein. All references to the documents and other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials referenced which may be obtained in the manner described herein.

Copies of the Trust Agreement, the Issuing and Paying Agent Agreement, the Site Lease, Sublease, the Assignment Agreement, the Dealer Agreements, the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit and the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement may be obtained from the Corporation at the following address:

Municipal Improvement Corporation of Los Angeles  
c/o City Administrative Officer  
City Hall East, Room 1500  
200 North Main Street  
Los Angeles, California 90012  
Attention: Ha To  
Phone: (213) 473-7529  
Facsimile: (213) 473-7511

**APPENDIX A-1**

**PROPOSED FORM OF NOTE COUNSEL OPINION**

[Date of Initial Issuance]

Municipal Improvement Corporation of Los Angeles  
Los Angeles, California

City of Los Angeles  
Los Angeles, California

Ladies and Gentlemen:

We have acted as Note Counsel to the Municipal Improvement Corporation of Los Angeles (the “Corporation”) and the City of Los Angeles (the “City”) in connection with the issuance and delivery from time to time of the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (Los Angeles Convention Center) (the “Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$100,000,000. The Commercial Paper Notes are to be issued and delivered from time to time pursuant to the Amended and Restated Trust Agreement, dated as of June 1, 2019 (as amended from time to time, the “Trust Agreement”), by and among the Corporation, the City and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), and the Amended and Restated Issuing and Paying Agent Agreement, dated as of June 1, 2019 (as amended from time to time, the “Issuing and Paying Agent Agreement”), by and among U.S. Bank Trust Company, National Association, as successor issuing and paying agent thereunder (the “Issuing and Paying Agent”), the Corporation and the City. The Commercial Paper Notes may be issued and delivered from time to time as Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Tax-Exempt Series A-1 (the “Tax-Exempt Series A-1 Commercial Paper Notes”) and Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Taxable Series B-1 (the “Taxable Series B-1 Commercial Paper Notes”) and together with the Tax-Exempt Series A-1 Commercial Paper Notes, the “Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$100,000,000.

In connection with the Commercial Paper Notes, the City has leased certain parcels of land, together with the buildings and improvements located thereon, but excluding any appurtenant air rights, to the Corporation pursuant to the Amended and Restated Site Lease, dated as of June 1, 2019 (as amended from time to time, the “Site Lease”), by and between the City and the Corporation. The Corporation in turn has subleased such parcels of land, together with the buildings and improvements located thereon, but excluding any appurtenant air rights, to the City pursuant to the terms of the Amended and Restated Sublease, dated as of June 1, 2019 (as amended from time to time, the “Sublease”), by and between the Corporation and the City, and has assigned its right, title and interest in and to certain property pledged therefor under the Trust Agreement to the Trustee for the benefit of the Owners of the Commercial Paper Notes and the Banks (as such terms are defined in the Trust Agreement) pursuant to the Amended and Restated Assignment Agreement, dated as of June 1, 2019 (as amended from time to time, the “Assignment Agreement”), by and between the Corporation and the Trustee. All capitalized terms not

defined herein shall have the respective meanings ascribed thereto in the Trust Agreement and the Sublease.

The Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes to be issued and delivered from time to time are entitled to the benefit of, and payments made pursuant to, that certain irrevocable direct-pay letter of credit issued by U.S. Bank National Association (the “Tax-Exempt Series A-1/Taxable Series B-1 Bank”) on June 8, 2022 (as amended from time to time, the “Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of June 1, 2022 (the “Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement”), by and among the Corporation, the City and the Tax-Exempt Series A-1/Taxable Series B-1 Bank. Upon satisfaction of the requirements of the Trust Agreement, the Corporation may replace the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit with an Alternate Credit Facility.

In rendering this opinion, we have reviewed the record of the actions taken by the Corporation and the City in connection with the issuance and delivery of the Tax-Exempt Series A-1 Commercial Paper Notes. We have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such documents, instruments, or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

We are of the opinion that:

1. The Tax-Exempt Series A-1 Commercial Paper Notes, when issued from time to time as provided in the Trust Agreement and the Issuing and Paying Agent Agreement, will constitute the valid and binding limited obligations of the Corporation, enforceable in accordance with their terms and the terms of the Trust Agreement and the Issuing and Paying Agent Agreement.

2. The Trust Agreement has been duly authorized, executed and delivered by, and constitutes the valid and binding obligation of, the City and the Corporation, and, assuming due authorization, execution and delivery by the Trustee, is enforceable against the City and the Corporation in accordance with its terms.

3. The Site Lease and the Sublease have been duly authorized, executed and delivered by the City and the Corporation and constitute the valid and binding obligations of the City and the Corporation and are enforceable against the City and the Corporation in accordance with their respective terms.

4. The Assignment Agreement has been duly authorized, executed and delivered by, and constitutes the valid and binding obligation of, the Corporation, and, assuming due execution by the other parties thereto, is enforceable against the Corporation in accordance with its terms.

We have not been requested to investigate, examine, review or opine as to any matter relating to the federal, state or local tax consequences with respect to the Tax-Exempt Series A-1 Commercial Paper Notes or the ownership or disposition thereof. In rendering this opinion, we are not passing upon the treatment of the Tax-Exempt Series A-1 Commercial Paper Notes (including interest thereon) for federal, state or local tax purposes, we have not reviewed any matter or conducted any investigation or examination relating thereto and we take no responsibility therefor. We express no opinion as to any federal, state or local tax consequences arising with respect to the Tax-Exempt Series A-1 Commercial Paper Notes or the ownership or disposition thereof.

We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion after the date hereof to reflect any

action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason. Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves.

This letter is furnished by us as Note Counsel and is solely for your benefit and it is not to be used, circulated, quoted, or otherwise referred to for any purposes other than the issuance and delivery of the Tax-Exempt Series A-1 Commercial Paper Notes and may not be relied upon by any other person or entity without our express written permission, except that references may be made to it in any list of closing documents pertaining to the issuance and delivery of the Tax-Exempt Series A-1 Commercial Paper Notes.

The foregoing opinions are qualified to the extent that the rights of the Owners of the Tax-Exempt Series A-1 Commercial Paper Notes and the enforceability of the Tax-Exempt Series A-1 Commercial Paper Notes, the Trust Agreement, the Site Lease, the Sublease and the Assignment Agreement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and are subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law). We express no opinion regarding the availability of equitable remedies.

We express no opinion as Note Counsel regarding the accuracy, adequacy or completeness of the Offering Memorandum relating to the Tax-Exempt Series A-1 Commercial Paper Notes.

You may rely on this opinion as to any Tax-Exempt Series A-1 Commercial Paper Notes issued on or after the date hereof to the extent that, at the date of issuance of such Tax-Exempt Series A-1 Commercial Paper Notes, (i) we have not advised you that this opinion may no longer be relied upon with respect to such Tax-Exempt Series A-1 Commercial Paper Notes, (ii) there is no change or proposed change in pertinent law from that in effect on the date hereof, (iii) the facts upon which this opinion is based do not change in any way material to this opinion, (iv) the representations, warranties and covenants contained in the Trust Agreement, the Issuing and Paying Agent Agreement, the Sublease, and other documents executed and delivered by the Corporation and the City in connection with the Tax-Exempt Series A-1 Commercial Paper Notes and the certificates executed and delivered by the Corporation and the City in connection with the Tax-Exempt Series A-1 Commercial Paper Notes remain true and correct and the Corporation and the City continue to comply with their respective covenants in such documents and certificates, (v) no amendment has been made to the Trust Agreement, the Site Lease, the Sublease, the Issuing and Paying Agent Agreement, the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit or the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement or any of the Tax-Exempt Series A-1 Commercial Paper Notes without our prior written consent, and (vi) no litigation affecting the issuance, legality, validity or enforceability in accordance with their respective terms of the Tax-Exempt Series A-1 Commercial Paper Notes is pending or threatened at the time of delivery of any such Tax-Exempt Series A-1 Commercial Paper Notes. We undertake no obligation to determine, at any time, whether the conditions described in this paragraph have been met.

Very truly yours,



## APPENDIX A-2

### PROPOSED FORM OF NOTE COUNSEL OPINION

June 8, 2022

Municipal Improvement Corporation of Los Angeles  
Los Angeles, California

City of Los Angeles  
Los Angeles, California

Ladies and Gentlemen:

We have acted as Note Counsel to the Municipal Improvement Corporation of Los Angeles (the “Corporation”) and the City of Los Angeles (the “City”) in connection with the issuance and delivery from time to time of the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (Los Angeles Convention Center) (the “Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$100,000,000. The Commercial Paper Notes are to be issued and delivered from time to time pursuant to the Amended and Restated Trust Agreement, dated as of June 1, 2019 (as amended from time to time, the “Trust Agreement”), by and among the Corporation, the City and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”), and the Amended and Restated Issuing and Paying Agent Agreement, dated as of June 1, 2019 (as amended from time to time, the “Issuing and Paying Agent Agreement”), by and among U.S. Bank Trust Company, National Association, as successor issuing and paying agent thereunder (the “Issuing and Paying Agent”), the Corporation and the City. The Commercial Paper Notes may be issued and delivered from time to time as Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Tax-Exempt Series A-1 (the “Tax-Exempt Series A-1 Commercial Paper Notes”) and Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Taxable Series B-1 (the “Taxable Series B-1 Commercial Paper Notes”) and together with the Tax-Exempt Series A-1 Commercial Paper Notes, the “Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes”) in an aggregate principal amount outstanding at any time of up to \$100,000,000.

In connection with the Commercial Paper Notes, the City has leased certain parcels of land, together with the buildings and improvements located thereon, but excluding any appurtenant air rights, to the Corporation pursuant to the Amended and Restated Site Lease, dated as of June 1, 2019 (as amended from time to time, the “Site Lease”), by and between the City and the Corporation. The Corporation in turn has subleased such parcels of land, together with the buildings and improvements located thereon, but excluding any appurtenant air rights, to the City pursuant to the terms of the Amended and Restated Sublease, dated as of June 1, 2019 (as amended from time to time, the “Sublease”), by and between the Corporation and the City, and has assigned its right, title and interest in and to certain property pledged therefor under the Trust Agreement to the Trustee for the benefit of the Owners of the Commercial Paper Notes and the Banks (as such terms are defined in the Trust Agreement) pursuant to the Amended and Restated Assignment Agreement, dated as of June 1, 2019 (as amended from time to time, the “Assignment Agreement”), by and between the Corporation and the Trustee. All capitalized terms not

defined herein shall have the respective meanings ascribed thereto in the Trust Agreement and the Sublease.

The Tax-Exempt Series A-1/Taxable Series B-1 Commercial Paper Notes to be issued and delivered from time to time are entitled to the benefit of, and payments made pursuant to, that certain irrevocable direct-pay letter of credit issued by U.S. Bank National Association (the “Tax-Exempt Series A-1/Taxable Series B-1 Bank”) on June 8, 2022 (as amended from time to time, the “Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit”) pursuant to the Letter of Credit and Reimbursement Agreement, dated as of June 1, 2022 (the “Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement”), by and among the Corporation, the City and the Tax-Exempt Series A-1/Taxable Series B-1 Bank. Upon satisfaction of the requirements of the Trust Agreement, the Corporation may replace the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit with an Alternate Credit Facility.

In rendering this opinion, we have reviewed the record of the actions taken by the Corporation and the City in connection with the issuance and delivery of the Taxable Series B-1 Commercial Paper Notes. We have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such documents, instruments, or corporate records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

We are of the opinion that:

1. The Taxable Series B-1 Commercial Paper Notes, when issued from time to time as provided in the Trust Agreement and the Issuing and Paying Agent Agreement, will constitute the valid and binding limited obligations of the Corporation, enforceable in accordance with their terms and the terms of the Trust Agreement and the Issuing and Paying Agent Agreement.

2. The Trust Agreement has been duly authorized, executed and delivered by, and constitutes the valid and binding obligation of, the City and the Corporation, and, assuming due authorization, execution and delivery by the Trustee, is enforceable against the City and the Corporation in accordance with its terms.

3. The Site Lease and the Sublease have been duly authorized, executed and delivered by the City and the Corporation and constitute the valid and binding obligations of the City and the Corporation and are enforceable against the City and the Corporation in accordance with their respective terms.

4. The Assignment Agreement has been duly authorized, executed and delivered by, and constitutes the valid and binding obligation of, the Corporation, and, assuming due execution by the other parties thereto, is enforceable against the Corporation in accordance with its terms.

We have not been requested to investigate, examine, review or opine as to any matter relating to the federal, state or local tax consequences with respect to the Taxable Series B-1 Commercial Paper Notes or the ownership or disposition thereof. In rendering this opinion, we are not passing upon the treatment of the Taxable Series B-1 Commercial Paper Notes (including interest thereon) for federal, state or local tax purposes, we have not reviewed any matter or conducted any investigation or examination relating thereto and we take no responsibility therefor. We express no opinion as to any federal, state or local tax consequences arising with respect to the Taxable Series B-1 Commercial Paper Notes or the ownership or disposition thereof.

We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion after the date hereof to reflect any

action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason. Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves.

This letter is furnished by us as Note Counsel and is solely for your benefit and it is not to be used, circulated, quoted, or otherwise referred to for any purposes other than the issuance and delivery of the Taxable Series B-1 Commercial Paper Notes and may not be relied upon by any other person or entity without our express written permission, except that references may be made to it in any list of closing documents pertaining to the issuance and delivery of the Taxable Series B-1 Commercial Paper Notes.

The foregoing opinions are qualified to the extent that the rights of the Owners of the Taxable Series B-1 Commercial Paper Notes and the enforceability of the Taxable Series B-1 Commercial Paper Notes, the Trust Agreement, the Site Lease, the Sublease and the Assignment Agreement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies and are subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law). We express no opinion regarding the availability of equitable remedies.

We express no opinion as Note Counsel regarding the accuracy, adequacy or completeness of the Offering Memorandum relating to the Taxable Series B-1 Commercial Paper Notes.

You may rely on this opinion as to any Taxable Series B-1 Commercial Paper Notes issued on or after the date hereof to the extent that, at the date of issuance of such Taxable Series B-1 Commercial Paper Notes, (i) we have not advised you that this opinion may no longer be relied upon with respect to such Taxable Series B-1 Commercial Paper Notes, (ii) there is no change or proposed change in pertinent law from that in effect on the date hereof, (iii) the facts upon which this opinion is based do not change in any way material to this opinion, (iv) the representations, warranties and covenants contained in the Trust Agreement, the Issuing and Paying Agent Agreement, the Sublease, and other documents executed and delivered by the Corporation and the City in connection with the Taxable Series B-1 Commercial Paper Notes and the certificates executed and delivered by the Corporation and the City in connection with the Taxable Series B-1 Commercial Paper Notes remain true and correct and the Corporation and the City continue to comply with their respective covenants in such documents and certificates, (v) no amendment has been made to the Trust Agreement, the Site Lease, the Sublease, the Issuing and Paying Agent Agreement, the Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit or the Tax-Exempt Series A-1/Taxable Series B-1 Reimbursement Agreement or any of the Taxable Series B-1 Commercial Paper Notes without our prior written consent, and (vi) no litigation affecting the issuance, legality, validity or enforceability in accordance with their respective terms of the Taxable Series B-1 Commercial Paper Notes is pending or threatened at the time of delivery of any such Taxable Series B-1 Commercial Paper Notes. We undertake no obligation to determine, at any time, whether the conditions described in this paragraph have been met.

Very truly yours,

**APPENDIX B-1**

**PROPOSED FORM OF SPECIAL TAX COUNSEL OPINION**

[Date of Initial Issuance]

Municipal Improvement Corporation of Los Angeles  
Los Angeles, California

City of Los Angeles  
Los Angeles, California

*RE: Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Tax-Exempt Series A*

Ladies and Gentlemen:

We are acting as Special Tax Counsel in connection with the authorization and issuance from time to time by the Municipal Improvement Corporation of Los Angeles (the "Corporation") of its Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Tax-Exempt Series A (the "Series A Notes"). In that connection, we have examined a copy of that certain Amended and Restated Trust Agreement (the "Trust Agreement"), dated June 1, 2019, by and among the Corporation, the City of Los Angeles (the "City") and U.S. Bank National Association, as trustee (the "Trustee"), a form of Tax and Nonarbitrage Certificate for the Series A Notes (a "Tax Certificate") to be executed by the Corporation and the City from time to time and such other documents, records, agreements and certificates as we have considered necessary or appropriate for us to render these opinions. We have also made such other investigations of fact and law as we have deemed necessary. We have, with your approval, assumed the genuineness of signatures (other than those of the City and the Corporation) and that all items submitted to us as originals are authentic and that all items submitted as copies conform to the originals. In rendering the opinions herein, we have assumed the accuracy of the approving opinion of Hawkins Delafield & Wood LLP, Note Counsel to the Corporation and the City, relating to the validity of the Series A Notes.

In connection with the issuance of the Series A Notes, the City will lease certain land, together with the building and improvements located thereon, to the Corporation pursuant to the Amended and Restated Site Lease, dated as of June 1, 2019 (the "Site Lease"), by and between the City, as lessor, and the Corporation, as lessee. The Corporation has in turn subleased and will continue to sublease such land, together with the building and improvements located thereon, to the City pursuant to the terms of the Amended and Restated Sublease, dated as of June 1, 2019, by and between the City and the Corporation, and assigned its right, title and interest in and to certain property pledged therefor under the Trust Agreement to the Trustee pursuant to the Amended and Restated Assignment Agreement, dated as of June 1, 2019 (the "Assignment Agreement"), by and between the Corporation and the Trustee.

The Series A Notes to be issued and delivered from time to time are entitled to the benefit of, and payment of principal and interest made pursuant to, that certain irrevocable letter of credit (the

“Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit”) issued by State Street Bank and Trust Company (“Tax-Exempt Series A-1/Taxable Series B-1 Bank”).

Except as otherwise indicated, capitalized terms used in this opinion and defined in the Trust Agreement will have the meanings given in the Trust Agreement.

On the basis of our examination of the documents we deemed necessary to render the opinions herein, our reliance upon the assumptions contained herein and our consideration of those questions of law we consider relevant, and subject to the limitations and qualifications set forth herein, we are of the following opinions:

1. The Internal Revenue Code of 1986, as amended (the “Code”) sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series A Notes for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series A Notes to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series A Notes. Pursuant to the Trust Agreement and a Tax Certificate, the Corporation and City have covenanted or will covenant to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series A Notes from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Corporation and the City have made or will make certain representations and certifications in the Trust Agreement and a Tax Certificate. We have not and will not independently verify the accuracy of those certifications and representations.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Series A Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

2. Interest on the Series A Notes is exempt from personal income taxes of the State of California under present state law.

In rendering the opinions regarding the federal income tax treatment of interest on the Series A Notes above, we have relied upon representations and covenants of the Corporation and the City in the Trust Agreement and in a Tax Certificate to be executed by the Corporation and the City from time to time (based upon the form we have reviewed) concerning the use of the facilities financed or refinanced with the proceeds of the Series A Notes, the investment and use of the proceeds of such Series A Notes and the rebate, to the extent required, to the federal government of certain earnings thereon. In addition, we have assumed that all such representations are true and correct and that the Corporation and the City will comply with all such covenants. We express no opinion with respect to the exclusion of the interest on the Series A Notes from gross income under Section 103(a) of the Code for federal income tax purposes in the event that any of such representations are untrue or the Corporation or the City fails to comply with such covenants.

Except as stated in the paragraphs 1 and 2, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of the Series A Notes. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series A Notes, or the interest thereon, if any action is taken with respect to the Series A Notes or the proceeds thereof upon the advice or approval of other counsel.

We call attention to the fact that the opinions expressed herein and the exclusion of interest on the Series A Notes from gross income for federal income tax purposes may be affected by actions taken or omitted or events occurring or not occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken, omitted, occur or fail to occur.

No opinion is expressed herein on the accuracy, completeness or sufficiency of the offering material relating to the Series A Notes.

You may rely on this opinion as to any Series A Note issued after the date hereof to the extent that, (i) the Series A Note is issued pursuant to a Tax Certificate, (ii) there is no change in applicable existing state or federal law, (iii) the Trust Agreement, in the form in effect on the date hereof, remains in full force and effect and has not been materially amended or supplemented, (iv) the representations and covenants of the parties contained in the Trust Agreement, the Sublease, a Tax Certificate and other documents pertaining to the Series A Notes, and certain certificates executed and delivered by authorized officers of the Corporation and the City and supplements and additions thereto remain true and accurate and are complied with in all material respects, and (v) no litigation affecting the issuance or validity of the Series A Notes is pending at the time of delivery of any such Series A Notes (this subsection (v) is not applicable if the Corporation has received an opinion of nationally recognized bond counsel to the effect that such litigation has no merit).

Respectfully submitted,

**APPENDIX B-2**

**PROPOSED FORM OF SPECIAL TAX COUNSEL OPINION**

June 8, 2022

Municipal Improvement Corporation of Los Angeles  
Los Angeles, California

City of Los Angeles  
Los Angeles, California

*RE: Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Taxable Series B*

Ladies and Gentlemen:

We are acting as Special Tax Counsel in connection with the authorization and issuance from time to time by the Municipal Improvement Corporation of Los Angeles (the “Corporation”) of its Lease Revenue Commercial Paper Notes (Los Angeles Convention Center), Taxable Series B (the “Series B Notes”). In that connection, we have examined a copy of that certain Amended and Restated Trust Agreement (the “Trust Agreement”), dated June 1, 2019, by and among the Corporation, the City of Los Angeles (the “City”) and U.S. Bank National Association, as trustee (the “Trustee”) and such other documents, records, agreements and certificates as we have considered necessary or appropriate for us to render these opinions. We have also made such other investigations of fact and law as we have deemed necessary. We have, with your approval, assumed the genuineness of signatures (other than those of the City and the Corporation) and that all items submitted to us as originals are authentic and that all items submitted as copies conform to the originals. In rendering the opinions herein, we have assumed the accuracy of the approving opinion of Hawkins Delafield & Wood LLP, Note Counsel to the Corporation and the City, relating to the validity of the Series B Notes.

In connection with the issuance of the Series B Notes, the City will lease certain land, together with the building and improvements located thereon, to the Corporation pursuant to the Amended and Restated Site Lease, dated as of June 1, 2019 (the “Site Lease”), by and between the City, as lessor, and the Corporation, as lessee. The Corporation has in turn subleased and will continue to sublease such land, together with the building and improvements located thereon, to the City pursuant to the terms of the Amended and Restated Sublease, dated as of June 1, 2019, by and between the City and the Corporation, and assigned its right, title and interest in and to certain property pledged therefor under the Trust Agreement to the Trustee pursuant to the Amended and Restated Assignment Agreement, dated as of June 1, 2019 (the “Assignment Agreement”), by and between the Corporation and the Trustee.

The Series B Notes to be issued and delivered from time to time are entitled to the benefit of, and payment of principal and interest made pursuant to, that certain irrevocable letter of credit (the “Tax-Exempt Series A-1/Taxable Series B-1 Letter of Credit”) issued by State Street Bank and Trust Company (“Tax-Exempt Series A-1/Taxable Series B-1 Bank”).

Except as otherwise indicated, capitalized terms used in this opinion and defined in the Trust Agreement will have the meanings given in the Trust Agreement.

On the basis of our examination of the documents we deemed necessary to render the opinions herein, our reliance upon the assumptions contained herein and our consideration of those questions of law we consider relevant, and subject to the limitations and qualifications set forth herein, we are of the following opinions:

1. Interest on the Series B Notes is exempt from personal income taxes of the State of California under present state law.
2. Interest on the Series B Notes is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended.

Except as stated in the preceding two paragraphs above, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of the Series B Notes. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series B Notes, or the interest thereon, if any action is taken with respect to the Series B Notes or the proceeds thereof upon the advice or approval of other counsel.

No opinion is expressed herein on the accuracy, completeness or sufficiency of the offering material relating to the Series B Notes.

You may rely on this opinion as to any Series B Note issued after the date hereof to the extent that, (i) there is no change in applicable existing state or federal law and (ii) the Trust Agreement, in the form in effect on the date hereof, remains in full force and effect and has not been materially amended or supplemented.

Respectfully submitted,



**APPENDIX C**

**MAXIMUM BASE RENTAL SCHEDULE**

[See attached pages]