

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the South Bayside Waste Management Authority (the “Authority”) in connection with the issuance of its Solid Waste Enterprise Refunding Revenue Bonds Series 2019A (Non-AMT) and Solid Waste Enterprise Revenue Bonds Series 2019B (AMT) (together, the “Series 2019 Bonds”). The Series 2019 Bonds are being issued pursuant to an Indenture, dated as of June 1, 2019 (the “Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee. In connection therewith the Authority covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. The Disclosure Certificate is being executed and delivered by the Authority for the benefit of the Holders and Beneficial Owners of the Series 2019 Bonds and in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (“SEC”).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in the Disclosure Certificate unless otherwise defined in this section, the following capitalized terms have the following meanings:

“Annual Report” means any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of the Disclosure Certificate.

“Beneficial Owner” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2019 Bonds (including persons holding Series 2019 Bonds through nominees, depositories, or other intermediaries).

“EMMA System” means the MSRB’s Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities (as defined in the Rule) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Listed Event” means any of the events listed in Section 5(a) of the Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Official Statement” means the Official Statement relating to the Series 2019 Bonds, dated June __, 2019.

“Rule” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” means the State of California.

“Underwriter” means Raymond James & Associates LLC, who is required to comply with the Rule in connection with offering of the Series 2019 Bonds.

SECTION 3. Provision of Annual Reports.

(a) The Authority shall, not later than the end of the ninth month following the end of the Authority's Fiscal Year (presently June 30), commencing with the report for the 2018-19 Fiscal Year, provide to the MSRB through the EMMA System (in an electronic format and accompanied by identifying information all as prescribed by the MSRB) an Annual Report that is consistent with the requirements of Section 4 of the Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents composing a package and may cross-reference other information as provided in Section 4 of the Disclosure Certificate, except that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority's Fiscal Year changes, then the Authority shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the Authority is unable to provide to the MSRB an Annual Report by the date required in Section 3(a), the Authority shall send to the MSRB a notice in substantially the form attached hereto as Exhibit A.

SECTION 4. Content of Annual Reports. The Authority's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the Authority for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If, however, the Authority's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), then the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Numerical or tabular data of the type contained in the following tables in the Official Statement, to reflect actual results of the most recently completed calendar year (projections need not be updated):

- (1) Table 3 - Historical Waste Volumes Received at the Transfer Station;
- (2) Table 4 - Franchise Waste Generation By Member;
- (3) Table 7 - Historical Revenues, Expenses and Debt Service Coverage (Calendar Year).

Any or all of the items listed above may be included by specific reference to other documents, including the audited financial statements or the official statements of debt issues of the Authority, that have been submitted to the MSRB or the Securities and Exchange Commission, subject to the following: if any document included by reference is a final official statement, then it must be available from the MSRB, and the Authority shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2019 Bonds in a timely manner not more than 10 business days after the event:

- (1) Principal and interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Issuance by the Internal Revenue Service (the "IRS") of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes; or
- (9) Bankruptcy, insolvency, receivership or similar event of the Authority.
- (10) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Note: for the purposes of the event identified in Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(b) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2019 Bonds, if material:

- (1) Unless described in Section 5(a)(5), adverse tax opinions or other material notices or determinations by the IRS with respect to the tax status of the Series 2019 Bonds or other material events affecting the tax status of the Series 2019 Bonds;
- (2) Modifications to rights of holders of the Series 2019 Bonds;
- (3) Optional, unscheduled or contingent bond calls;

(4) Release, substitution, or sale of property securing repayment of the Series 2019 Bonds;

(5) Non-payment related defaults;

(6) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(7) Appointment of a successor or additional trustee or the change of name of a trustee; or

(8) Incurrence of a Financial Obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect holders of the Series 2019 Bonds.

(c) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Authority shall as soon as possible determine if such event would be material under applicable federal securities laws. If the Authority determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the Authority shall file a notice of such occurrence with EMMA in a timely manner not more than 10 business days after the event.

SECTION 6. Termination of Reporting Obligation. The Authority's obligations under the Disclosure Certificate shall terminate (a) upon the legal defeasance, prior redemption, or payment in full of all of the Series 2019 Bonds; or (b) if, in the opinion of nationally recognized bond counsel, the Authority ceases to be an "obligated person" (within the meaning of the Rule) with respect to the Series 2019 Bonds, or the Series 2019 Bonds otherwise cease to be subject to the requirements of the Rule. If such termination occurs prior to the final maturity of the Series 2019 Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the Authority may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, if all of the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Series 2019 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2019 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (1) is approved by the Holders of the Series 2019 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the

consent of Holders or (2) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2019 Bonds.

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

SECTION 8. Additional Information. Nothing in the Disclosure Certificate prevents the Authority (a) from disseminating any other information, using the means of dissemination set forth in the Disclosure Certificate or any other means of communication; or (b) from including any other information in any Annual Report or notice of occurrence of a Listed Event in addition to that required by the Disclosure Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that specifically required by the Disclosure Certificate, the Authority shall have no obligation under the Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Default. In the event of a failure of the Authority to comply with any provision of the Disclosure Certificate, the Underwriter or any Holder or Beneficial Owner of the Series 2019 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under the Disclosure Certificate in the event of any failure of the Authority to comply with the Disclosure Certificate shall be an action to compel performance hereunder.

SECTION 10. Beneficiaries. The Disclosure Certificate shall inure solely to the benefit of the Authority, the Underwriter, and the Holders and Beneficial Owners from time to time of the Series 2019 Bonds, and it creates no rights in any other person or entity.

SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY

By: _____
Executive Director

Dated: June __, 2019

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

Name of Issue: \$ _____ Solid Waste Enterprise Refunding Revenue Bonds Series 2019A (Non-AMT)

\$ _____ Solid Waste Enterprise Revenue Bonds Series 2019B (AMT)

Date of Issuance: June __, 2019

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report with respect to the above-named Bonds as required by the Indenture, dated as of June 1, 2019 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee. The Authority anticipates that the Annual Report will be filed by _____

Dated: _____, _____

SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY

By: _____
Executive Director