

RESOLUTION NO. 15-_____

**RESOLUTION OF THE HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENT TO THE AMENDED AND RESTATED ISSUING AND PAYING AGENT AGREEMENT, DEALER AGREEMENTS, A FIRST AMENDMENT TO LINE OF CREDIT AGREEMENT, AN AMENDED AND RESTATED BANK NOTE, AN AMENDED AND RESTATED FEE LETTER, A COMMERCIAL PAPER OFFERING MEMORANDUM AND CERTAIN OTHER DOCUMENTS AND ACTIONS RELATING TO THE DEPARTMENT'S COMMERCIAL PAPER FINANCING PROGRAM AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO
(DOCUMENT RESOLUTION)**

WITNESSETH:

WHEREAS, the Harbor Department (the "Department") is a Proprietary Department (as defined in the Charter of the City of Los Angeles (the "Charter")) of the City of Los Angeles, established and provided for by the Charter, having control of its own revenues and funds and under the management and control of a Board of Harbor Commissioners (the "Board"); and

WHEREAS, pursuant to Section 609 of the Charter and the Charter implementation ordinance (the "Procedural Ordinance") relating to the procedures for issuance and sale of revenue bonds by the Department under Section 609 of the Charter, the Department has the power to borrow money and to issue bonds, refunding bonds, notes and other evidences of indebtedness for any lawful purpose relating to the Department payable from the revenues of the Department and from any other money lawfully available to the Department or under its control, in the form and manner approved by the Board; and

WHEREAS, pursuant to Section 609 of the Charter, on August 22, 2001, the Board adopted a resolution (the "Authorizing Resolution") which authorizes and establishes, subject to City Council approval, a financing program (the "Program") for the purpose of issuing, from time to time, short-term revenue notes (the "Notes") in an aggregate principal amount not in excess of \$375 million to finance all or a portion of the Department's short-term borrowing needs; and

WHEREAS, pursuant to Section 609 of the Charter, on June 4, 2009 the Board adopted a resolution (the "2009 Resolution"), which authorized the Department to issue the Notes as commercial paper notes (the "CP Notes") having maturities of 270 days or less and in an aggregate principal amount not in excess of \$100 million; and

WHEREAS, pursuant to the 2009 Resolution, the Board authorized the Department to enter into the following agreements:

- (a) an Issuing and Paying Agent Agreement (Commercial Paper Notes), dated as of July 1, 2009 (the "Original CP Issuing Agreement"), by and between the

Department and U.S. Bank Trust National Association, as issuing and paying agent (the “Issuing and Paying Agent”), which Original CP Issuing Agreement, among other matters, authorized the issuance of CP Notes in an aggregate principal amount not in excess of \$100 million; and

(b) a Credit Agreement, dated as of July 1, 2009 (the “Original Credit Agreement”), by and between the Department and JPMorgan Chase Bank, National Association (the “JPMorgan”), providing liquidity support for the CP Notes and setting out the terms and conditions of the Advances (as defined in the Original Credit Agreement) that would arise if the liquidity support were drawn upon; and

(c) Dealer Agreements, each dated as of July 1, 2009, by and between the Department and each of Morgan Stanley & Co. Incorporated and Loop Capital Markets LLC (each, an “Existing Dealer”), providing for the sale of the CP Notes and obligating the Department to provide certain continuing updated information; and

WHEREAS, pursuant to Section 609 of the Charter, on June 3, 2010 the Board adopted a resolution (the “2010 Resolution”), which authorized the Department to amend the Original CP Issuing Agreement in order to provide for the issuance of CP Notes up to \$200 million, and to amend the Original Credit Agreement to provide for an extension of the expiration date thereof; and

WHEREAS, pursuant to the 2010 Resolution, the Board authorized the Department to enter into the following agreements, among others:

(a) a First Supplemental Issuing and Paying Agent Agreement, dated as of July 1, 2010 (the “First Supplemental CP Issuing Agreement” and, together with the Original CP Issuing Agreement, the “Prior CP Issuing Agreement”), by and between the Department and the Issuing and Paying Agent, which First Supplemental CP Issuing Agreement amended the Original CP Issuing Agreement to authorize the issuance of CP Notes in the aggregate principal amount not in excess of \$200 million, among other matters; and

(b) a letter agreement, dated July 28, 2010, executed by JPMorgan, which letter agreement extended the scheduled expiration date of the Original Credit Agreement from July 29, 2010 to July 29, 2012, provided for reduced commitment fees and increased the commitment amount thereunder to support the issuance of the CP Notes in the aggregate principal amount not in excess of \$200 million; and

WHEREAS, pursuant to Section 609 of the Charter, on June 7, 2012 the Board adopted a resolution (the “2012 Resolution”), which authorized the Department to amend and restate the Prior CP Issuing Agreement in order to provide for the issuance of CP Notes up to \$250 million, and to enter into replacement line of credit agreements; and

WHEREAS, pursuant to the 2012 Resolution, the Board authorized the Department to enter into the following agreements, among others:

(a) an Amended and Restated Issuing and Paying Agent Agreement (the “Amended and Restated CP Issuing Agreement”), by and between the Department and the Issuing and Paying Agent, which Amended and Restated CP Issuing Agreement amended and restated the Prior CP Issuing Agreement by, among other matters, authorizing the issuance of CP Notes in an aggregate principal amount not in excess of \$250 million and establishing subseries of CP Notes;

(b) a form of the line of credit agreement (the “Original Mizuho Credit Agreement”), among the Department, the Issuing and Paying Agent and Mizuho Bank, Ltd., acting through its New York Branch, as successor by merger to Mizuho Corporate Bank, Ltd., acting through its New York Branch (“Mizuho”), to provide liquidity support to pay the principal of the CP Notes in the aggregate principal amount not to exceed \$125 million and interest on the CP Notes up to 12% per annum for 270 days, through July 23, 2015;

(c) a form of the line of credit agreement (the “Wells Fargo Credit Agreement”), among the Department, the Issuing and Paying Agent and Wells Fargo Bank, National Association (“Wells Fargo”), to provide liquidity support to pay the principal of the CP Notes in the aggregate principal amount not to exceed \$125 million and interest on the CP Notes up to 12% per annum for 270 days, through July 23, 2015;

(d) a fee letter between the Department and Mizuho; and

(e) a fee letter between the Department and Wells Fargo; and

WHEREAS, the Department proposes to renew the CP Note Program for an additional three years, to extend the expiration date of the Original Mizuho Credit Agreement to a date no later than August 31, 2018, to increase the commitment amount under the Original Mizuho Credit Agreement to support the issuance of the CP Notes in the aggregate principal amount not in excess of \$200 million, to enter into a supplement to the Amended and Restated CP Issuing Agreement to extend the term of the agreement to a date no later than August 31, 2018 (subject to additional extensions as permitted under the Amended and Restated CP Issuing Agreement) and to amend certain provisions of the agreement necessary with respect to the changes being made to the Original Mizuho Credit Agreement, and to appoint new dealers to replace the Existing Dealers and enter into new dealer agreements with such dealers; and

WHEREAS, the following documents have been presented to this Board:

(a) a form of the First Supplement to the Amended and Restated Issuing and Paying Agent Agreement (the “First Supplement,” and together with the Amended and Restated CP Issuing Agreement, the “CP Issuing Agreement”), by and between the Department and the Issuing and Paying Agent, which First Supplement extends the term of the Amended and Restated CP Issuing Agreement to a date no later than August 31, 2018 (subject to additional extensions as permitted under the Amended and Restated CP Issuing Agreement) and amends certain provisions of the Amended and Restated CP Issuing Agreement in connection with the changes being made to the Original Mizuho Credit Agreement; and

(b) a form of the First Amendment to Line of Credit Agreement and Consent to Replacement of Dealers (the “Amendment to Mizuho Credit Agreement,” and together with the Original Mizuho Credit Agreement, the “Mizuho Credit Agreement”), among the Department, the Issuing and Paying Agent and Mizuho, which increases the liquidity support to pay the principal of the CP Notes from \$125 million to \$200 million and the interest on such CP Notes up to 12% per annum for 270 days and extends the expiration date of the Original Mizuho Credit Agreement to a date no later than August 31, 2018; and

(c) a form of the Amended and Restated Bank Note (the “Mizuho Bank Note”), by the Department that will evidence the liquidity advances made by Mizuho to the Department in accordance with the provisions of the Mizuho Credit Agreement (the form of the Mizuho Bank Note is attached as Exhibit B to the Amendment to Mizuho Credit Agreement described in (b) above); and

(d) a form of the Amended and Restated Fee Letter (the “Mizuho Fee Letter”) between the Department and Mizuho; and

(e) forms of the Dealer Agreements (the “Dealer Agreements”), by and between the Department and each of Samuel A. Ramirez & Company, Inc., and U.S. Bancorp Investments, Inc. (each, a “Dealer”), providing for the sale of the CP Notes and obligating the Department to provide certain continuing updated information; and

(f) a Commercial Paper Offering Memorandum (the “Offering Memorandum”) by the Department describing the CP Notes, Mizuho, the Department and the Department’s financial and operating information; and

WHEREAS, there are currently no CP Notes outstanding; and

WHEREAS, all acts, conditions and things required by the laws of the State of California and by the Charter and Procedural Ordinance to exist, to have happened and to have been performed precedent to and in connection with the consummation of the actions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Department is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such actions for the purpose, in the manner and upon the terms herein provided;

NOW THEREFORE, in accordance with the provisions of Section 609 of the Charter, the Board hereby resolves as follows:

Section 1. Findings. The Board hereby determines that the foregoing recitals are true. The Board hereby determines that the renewal of the CP Note Program for an additional three years, the execution and delivery by the Department of the First Supplement, the Amendment to Mizuho Credit Agreement, the Mizuho Bank Note, the Mizuho Fee Letter and the Dealer Agreements (collectively, the “Financing Documents”) and the taking of actions related thereto are in the best interests of the Department.

Section 2. Renewal of CP Note Program; Approval of Financing Documents; Authorization for Execution. The Board hereby approves the renewal of the CP Note Program for an additional three years. Additionally, the Board hereby approves in all respects the forms, terms and provisions of the Financing Documents substantially in the forms now before the Board, and hereby authorizes and directs the Executive Director, the Deputy Executive Director of Finance and Administration, the Chief Financial Officer, and the Director of Debt and Treasury of the Department or any one or more thereof (each an “Authorized Representative”) to execute, acknowledge and deliver the Financing Documents, including counterparts thereof, for and in the name of and on behalf of the Department. The Financing Documents, as executed and delivered, shall be in substantially the forms now before the Board and hereby approved, or with such changes therein as shall be approved by Authorized Representative(s) executing the same and the execution thereof shall constitute conclusive evidence of the Board’s approval of any and all changes or revisions therein from the forms of the Financing Documents now before the Board. From and after the execution and delivery of the Financing Documents, the officers, agents and employees of the Department are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Financing Documents.

Section 3. Pledge of Revenues. The Revenues (as defined in the CP Issuing Agreement) are hereby irrevocably pledged in accordance with the terms of the CP Issuing Agreement to secure the CP Notes, any and all Liquidity Advances (as such term is defined in the Mizuho Credit Agreement) made by Mizuho under the Mizuho Credit Agreement, the principal of and interest on the Mizuho Bank Note and any other obligations of the Department under the Mizuho Credit Agreement and the Mizuho Fee Letter. Such pledge of the Revenues shall be on a parity with the pledge of Revenues securing the Parity Obligations (as such term is defined in the CP Issuing Agreement) (except with respect to any Non-Debt Service Obligations (as such term is defined in the Mizuho Credit Agreement)).

Section 4. Approval of Obligations Under the Mizuho Credit Agreement. The Board hereby specifically authorizes the Department to incur the obligations represented by the Liquidity Advances as evidenced by the Mizuho Bank Note on the terms and conditions set forth in the Mizuho Credit Agreement for the purpose of providing liquidity support for the CP Notes, and further authorizes and directs the Department to comply with the other obligations of the Department set forth in the Mizuho Credit Agreement and the Mizuho Fee Letter. The Board acknowledges that the interest rate payable on the Mizuho Bank Note for the Liquidity Advances may exceed the maximum interest rate payable on the CP Notes.

Section 5. Approval of Offering Memorandum. In connection with the sale of the CP Notes from time to time, the Board hereby approves the form of the Offering Memorandum now before this Board and authorizes the circulation of the Offering Memorandum with such additions, deletions and changes as the Authorized Representatives, or any one of them, deem to be appropriate, after consultation with the City Attorney. The Board further hereby authorizes, from time to time, the preparation, execution and delivery of one or more additional or supplemental offering memoranda in accordance with the terms of the hereinabove approved Financing Documents, the execution of any such additional or supplemental offering memoranda by an Authorized Representative to be conclusive evidence of the Board’s approval of such supplement, additions, deletions and changes; provided, however, that an Authorized

Representative, after consultation with the City Attorney, may present such additional or supplemental offering memoranda to this Board for review and approval. The Offering Memorandum and any supplements and additions thereto shall be circulated for use in selling the CP Notes at such time or times as an Authorized Representative (after consultation with the Department's financial advisors, the City Attorney, disclosure counsel, bond counsel and/or such other advisors as the Authorized Representative believes to be useful) shall determine.

Section 6. Selection of Dealers. The Board hereby confirms the selection of Samuel A. Ramirez & Company, Inc., and U.S. Bancorp Investments, Inc. as the commercial paper dealers (the "Dealers") for the CP Notes under the terms and provisions of the Dealer Agreements, the form of which was hereinabove approved by the Board. The Authorized Representatives, or any of them, are hereby authorized and directed to allocate CP Notes among the Dealers in such manner as shall be acceptable to the Authorized Representative(s) making such allocation. The Dealer Agreements shall remain in effect unless terminated in accordance with their terms.

Section 7. Additional Authorization. The Authorized Representatives and all officers, agents and employees of the Department, for and on behalf of the Department, are hereby authorized and directed to do any and all things necessary to effect the renewal of the CP Note Program, the execution and delivery of the Financing Documents and the Offering Memorandum (and additions and supplements thereto), and to carry out the terms of the CP Issuing Agreement, the Mizuho Credit Agreement and the other Financing Documents. The Authorized Representatives and all other officers, agents and employees of the Department are further authorized and directed, for and on behalf of the Department, to execute all papers, documents, certificates and other instruments that may be required in order to carry out the authority conferred by the Authorizing Resolution, the 2009 Resolution, the 2010 Resolution, the 2012 Resolution, this Resolution, the CP Issuing Agreement, the Mizuho Credit Agreement, the Mizuho Bank Note, the Mizuho Fee Letter and the Dealer Agreements or to evidence said authority and its exercise.

Section 8. Costs of Issuance. The Board hereby specifically authorizes funds of the Department together with a portion of the proceeds of the CP Notes to be used to pay costs of issuance of the CP Notes and the continuing costs of the CP Note Program, including but not limited to costs of attorneys, accountants, verification agents, financial advisors, the costs associated with rating agencies, printing, publication, mailing and other communication expenses and any related filing fees, and including the reasonable initial, periodic and continuing fees and expenses of the Dealers, Mizuho and the Issuing and Paying Agent under the Dealer Agreements, the Mizuho Credit Agreement, the Mizuho Bank Note, the Mizuho Fee Letter and the CP Issuing Agreement, respectively.

Section 9. Severability. The provisions of this Resolution are hereby declared to be severable, and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 10. Ratification of Prior Actions. The Board hereby ratifies the Department's execution and delivery of the Original CP Issuing Agreement, the First Supplemental CP Issuing Agreement, the Amended and Restated CP Issuing Agreement and the Original Mizuho Credit

Agreement, and all actions heretofore taken by the officers, employees and agents of the Department with respect to the Authorizing Resolution, the 2009 Resolution, the 2010 Resolution and the 2012 Resolution. All actions heretofore taken by the officers, employees, and agents of the Department before the date this Resolution becomes final as described in Section 11 hereof in connection with or related to the issuance and sale of the CP Notes are hereby approved, ratified and confirmed.

Section 11. Effective Date. This Resolution shall take effect upon approval by the Mayor and City Council in the manner and at the time set forth in the Charter and the City Administrative Code, including Sections 11.28.1, 11.28.2, 11.28.4, 11.28.5 and 11.28.7 of the City Administrative Code.

APPROVED AS TO FORM AND LEGALITY

_____, 2015
MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By _____
Heather M. McCloskey, Deputy

CERTIFICATION

The undersigned, duly qualified and acting as Secretary of the Harbor Department, certifies that the foregoing is a true and correct copy of a Resolution adopted at a legally convened meeting of the Board of the Department held on _____, 2015.

By _____
Secretary, City of Los Angeles Board of
Harbor Commissioners

Dated: _____