

FEE LETTER  
DATED AS OF JULY 19, 2012

Reference is hereby made to that certain Line of Credit Agreement dated as of July 1, 2012 (the “*Agreement*”), between the Harbor Department of the Department of Los Angeles, as Department (the “*Department*”), [U.S. Bank National Association], in its capacity as Issuing and Paying Agent (the “*Issuing and Paying Agent*”) and Mizuho Corporate Bank, Ltd., acting through its New York Branch (the “*Bank*”), relating to the Harbor Department of the City of Los Angeles Commercial Paper Notes, [Subseries A-\_\_ (Exempt Facility AMT)], [Subseries B-\_\_ (Exempt Facility Non-AMT)], [Subseries C-\_\_ (Governmental Non-AMT)] and [Subseries D-\_\_ (Taxable)] (collectively, the “*Notes*”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Letter is to confirm the agreement between the Bank and the Department with respect to the Commitment Fees (as defined below) and certain other fees payable by the Department to the Bank. This Fee Letter is the Fee Letter referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement.

ARTICLE I. FEES.

*Section 1.1. Commitment Fee.* The Department hereby agrees to pay to the Bank, on October 1, 2012, for the period commencing on the Effective Date and ending on October 1, 2012, and in arrears on the first Business Day of each January, April, July and October occurring thereafter to the Termination Date, and on the Termination Date, a non-refundable Commitment Fee (the “*Commitment Fee*”) for each quarterly fee period, commencing on the first calendar day of such quarterly fee period and ending on the last calendar day of such quarterly fee period, in an amount equal to the product of the rate per annum associated with the Level specified below corresponding to the applicable Rating (as defined below) (the “*Commitment Fee Rate*”) multiplied by the Commitment Amount (without regard to any temporary reductions thereof) during each related quarterly fee period:

LEVEL	MOODY'S RATING	FITCH RATING	S&P RATING	COMMITMENT FEE RATE
Level 1	Aaa	AAA	AAA	0.275%
Level 2	Aa1	AA+	AA+	0.400%
Level 3	Aa2	AA	AA	0.400%
Level 4	Aa3	AA-	AA-	0.410%
Level 5	A1	A+	A+	0.425%
Level 6	A2	A	A	0.500%
Level 7	A3	A-	A-	0.575%

LEVEL	MOODY'S RATING	FITCH RATING	S&P RATING	COMMITMENT FEE RATE
Level 8	Baa1	BBB+	BBB+	0.650%
Level 9	Baa2	BBB	BBB	0.730%
Level 10	Baa3	BBB-	BBB-	0.825%

The term “*Rating*” as used above shall mean the lowest long-term unenhanced debt ratings assigned by any of Fitch, S&P or Moody’s to the Parity Obligations. In the event of a split Rating (i.e., one or more of the foregoing Rating Agencies’ Ratings are at a different Level than the Rating of either of the other Rating Agencies), the Commitment Fee Rate shall be based upon the Level in which the lowest Rating appears. 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 by any Rating Agency, including, without limitation, any recalibration of the Ratings in connection with the adoption of a “global” rating scale, the Ratings from such 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. The Department acknowledges and the Bank agrees, that as of the Effective Date the Commitment Fee Rate is that specified above for Level 3. In the event that any Rating is suspended or withdrawn for credit related reasons or otherwise unavailable from any Rating Agency or upon the occurrence and continuance of an Event of Termination, the Commitment Fee Rate shall increase by 2.00% per annum above the Commitment Fee Rate otherwise in effect, automatically and without notice to the Department. Any change in the Commitment Fee Rate resulting from a reduction, withdrawal, suspension or unavailability of a Rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such Rating. In the event that a Commitment Fee is not paid when due, interest shall accrue on such Commitment Fee from the date payment is due until payment in full at the Default Rate. Such Commitment Fee shall be payable in immediately available funds and computed on the basis of a 360-day year and the actual number of days elapsed.

*Section 1.2. Liquidity Advance Fee.* The Department agrees to pay to the Bank, a non-refundable fee of \$250 for each Liquidity Advance under the Agreement, payable on the date each such Liquidity Advance is made.

*Section 1.3. Transfer Fee.* Upon each transfer of the Agreement in accordance with its terms, the Department agrees to pay to the Bank a non-refundable transfer fee in an amount equal to \$2,500 (or such greater amount as proposed by the Bank and agreed to by the Department), plus, in each case, the reasonable fees and expenses of counsel to the Bank, payable on the date of such transfer; *provided, however,* that no transfer fee shall be payable if the Agreement is transferred to a successor Issuing and Paying Agent as a result of the Department’s request in

writing that the Commitment be terminated as a result of a reduction of the Bank's senior unsecured short-term ratings below "P-1" by Moody's, "A-1" by S&P or "F1" by Fitch.

*Section 1.4. Amendment Fee.* The Department agrees to pay to the Bank a non-refundable amendment, standard waiver or consent fee, as applicable, of \$2,500 (or such greater amount as proposed by the Bank and agreed to by the Department) on the date of each amendment, supplement or modification to the Agreement or this Fee Letter or in connection with any amendment, supplement or modification of any Related Document which requires the consent of the Bank or in connection with any standard waiver by the Bank requested by the Department with respect to the Agreement, this Fee Letter or any other Related Document, plus, in each case, the reasonable fees and expenses of counsel to the Bank; *provided, however*, that no amendment, standard waiver or consent fee shall be payable if the Agreement or this Fee Letter is amended, supplemented or modified or in connection with any amendment, modification or supplement to any other Related Document, the Bank is required to consent thereto or waive any such provision as a result of the Department's request in writing that the Commitment be terminated as a result of a reduction of the Bank's senior unsecured short-term ratings below "P-1" by Moody's, "A-1" by S&P or "F1" by Fitch.

*Section 1.5. Termination and Reduction Fees.* (a) Notwithstanding the foregoing or any other provision of the Agreement or this Fee Letter to the contrary, the Department agrees not to terminate, permanently reduce or replace the Agreement or the Commitment prior to the Stated Expiration Date, except upon (i) the payment by the Department to the Bank of the Termination Fee or a Reduction Fee, as described below, (ii) the payment by the Department to the Bank of all other amounts due and payable under the Agreement and this Fee Letter and (iii) the Department providing the Bank with thirty (30) days prior written notice of its intent to terminate the Agreement and/or terminate or reduce the Commitment; *provided*, that any such termination of the Agreement or the Commitment shall be in compliance with the terms and conditions of the Issuing and Paying Agent Agreement and the Agreement; *provided, further*, that no Termination Fee shall become payable if the Agreement is terminated or replaced as a result of the Department's request in writing that the Commitment be terminated as a result of a reduction of the Bank's senior unsecured short-term ratings below "P-1" by Moody's, "A-1" by S&P or "F1" by Fitch.

The Department agrees that all payments to the Bank referred to in the preceding paragraph shall be made in immediately available funds.

(b) The Department hereby agrees to pay to the Bank a Termination Fee in connection with the termination or replacement of the Commitment by the Department as set forth in Section 1.5(a) hereof in an amount equal to the positive difference, if any, between (x) the product of (A) the Commitment Fee Rate in effect pursuant to Section 1.1 hereof on the date of termination, (B) the Commitment Amount as of the Effective Date, 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 Effective Date and the denominator of which is 360 and (y) any amounts previously paid pursuant to Section 1.5(c) hereof (the "*Termination Fee*"), payable on the date the Commitment is terminated or replaced.

(c) The Department hereby agrees to pay to the Bank a reduction fee in connection with each and every permanent reduction of the Commitment by the Department as set forth in Section 1.5(a) hereof in an amount equal to the product of (x) the Commitment Fee Rate in effect pursuant to Section 1.1 hereof on the date of such permanent reduction, (y) the difference between the Commitment Amount prior to such permanent reduction (without regard to any reduction of the Commitment Amount subject to reinstatement) and the Commitment Amount after such permanent reduction, and (z) a fraction, the numerator of which is equal to the number of days from and including the date of such permanent reduction to and including the first anniversary of the Effective Date and the denominator of which is 360 (the “*Reduction Fee*”), payable on the date the Commitment Amount is permanently reduced.

## ARTICLE II. MISCELLANEOUS.

*Section 2.1. Expenses.* The Department shall promptly pay on the Effective Date, all of the Bank’s out-of-pocket expenses and the reasonable fees and expenses of counsel for the Bank (including fees and expenses of foreign counsel to the Bank), plus disbursements, in connection with the execution and delivery of the Agreement and this Fee Letter.

*Section 2.2. Amendments.* No amendment to this Fee Letter shall become effective without the prior written consent of the Department and the Bank.

*Section 2.3. Governing Law.* THIS FEE LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; *PROVIDED, HOWEVER,* THE OBLIGATIONS OF THE DEPARTMENT HEREUNDER SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

*Section 2.4. Counterparts.* This Fee Letter may be executed in multiple counterparts, each of which shall constitute an original but both of which, when taken together, shall constitute but one instrument.

*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.

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter to be duly executed and delivered by their respective officers as of July 19, 2012.

HARBOR DEPARTMENT OF THE CITY OF  
LOS ANGELES

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

MIZUHO CORPORATE BANK, LTD., acting through  
its New York Branch

By \_\_\_\_\_  
Name: Raymond Ventura  
Title: Deputy General Manager

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