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AMENDED AND RESTATED ISSUING AND PAYING AGENT AGREEMENT

dated as of

July 1, 2011

by and between

HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES

and

U.S. BANK NATIONAL ASSOCIATION,  
as Issuing and Paying Agent

Amending and Restating the Issuing and Paying Agent  
Agreement dated as of July 1, 2009, as amended and supplemented

relating to

HARBOR DEPARTMENT  
OF THE CITY OF LOS ANGELES  
COMMERCIAL PAPER NOTES

*consisting of*

Series A-1 (Exempt Facility AMT)  
Series B-1 (Exempt Facility Non-AMT)  
Series C-1 (Governmental Non-AMT)  
Series D-1 (Taxable)

Series A-2 (Exempt Facility AMT)  
Series B-2 (Exempt Facility Non-AMT)  
Series C-2 (Governmental Non-AMT)  
Series D-2 (Taxable)

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## ISSUING AND PAYING AGENT AGREEMENT

**THIS ISSUING AND PAYING AGENT AGREEMENT** (this “Agreement”) is dated as of July 1, 2011, by and between the HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES, a department of the City of Los Angeles (“Department”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America (“Issuing and Paying Agent”).

### **RECITALS:**

**WHEREAS**, the Department authorized the issuance of up to \$200,000,000 principal amount at any one time outstanding of its Commercial Paper Notes (as defined herein), and the issuance of Commercial Paper Notes from time to time in an aggregate principal amount such that the aggregate principal amount at any one time outstanding shall not exceed the combined Principal Components (as defined herein) under the then-existing Liquidity Facilities (as defined herein), pursuant to Section 609 of the Los Angeles City Charter, the Charter implementation ordinance related to the procedures for issuance and sale of revenue bonds and other obligations by the Department, adding Sections 11.28.1 through 11.28.9 of Division 11, Chapter 1, Article 6.5 of the Los Angeles Administrative Code (collectively, the “Authorizing Act”), Resolution No. 6021 [and No. 6022] adopted by the Board of Harbor Commissioners of the City of Los Angeles (the “Board”) on August 22, 2001, Resolution No. 09-6753 adopted by the Board on June 4, 2009 and Resolution No. 10-6958 adopted by the Board on June 24, 2010; and

**WHEREAS**, the Department proposes to authorize the issuance of up to \$250,000,000 principal amount of Commercial Paper Notes from time to time, and to support the payment of certain subseries of the Commercial Paper Notes with two Liquidity Facilities; and

**WHEREAS**, the Department has requested Mizuho Corporate Bank, Ltd., acting through its New York Branch, to issue a line of credit agreement to support the payment when due of the principal of and interest on certain subseries of the Commercial Paper Notes to be designated as “Series A-1,” “Series B-1,” “Series C-1” and “Series D-1” (collectively, the “Mizuho Supported Notes”); and

**WHEREAS**, the Department has requested Wells Fargo Bank, National Association to issue a line of credit agreement to support the payment when due of the principal of and interest on certain subseries of the Commercial Paper Notes to be designated as “Series A-2,” “Series B-2,” “Series C-2” and “Series D-2” (collectively, the “Wells Fargo Supported Notes”); and

**WHEREAS**, the Department determined that it is necessary and desirable to amend and restate the Issuing and Paying Agent Agreement entered into as of July 1, 2009, as amended and supplemented by the First Supplemental Issuing and Paying Agent Agreement entered into as of July 1, 2010, to provide for the issuance and payment of the subseries of Commercial Paper Notes;

**WHEREAS**, the Issuing and Paying Agent has agreed to act as depository for the safekeeping of the Commercial Paper Notes, as issuing agent on behalf of the Department in

connection with the issuance of the Commercial Paper Notes, and as paying agent to undertake certain obligations to make payments of principal and interest on the Notes;

**NOW, THEREFORE**, the Department and the Issuing and Paying Agent agree as follows:

## **ARTICLE I**

### **DEFINITIONS; INTERPRETATION**

Section 1.01. Definitions. Unless the context otherwise requires, the following terms shall, for all purposes of this Agreement and of any agreement supplemental hereto, have the meanings herein specified:

“Agreement” means this Amended and Restated Issuing and Paying Agent Agreement, dated as of July 1, 2011, by and between the Department and the Issuing and Paying Agent.

“Annual Debt Service” means, for any Fiscal Year, the sum of (1) the interest payable on all Notes and Parity Obligations in such Fiscal Year, (2) the principal amount or accreted value of all Outstanding Notes and serial Parity Obligations maturing by their terms in such Fiscal Year, and (3) the principal amount or accreted value of all term Parity Obligations required to be redeemed or paid in such Fiscal Year.

“Authorized Representative” means with respect to the Department, its Executive Director, Chief Financial Officer, Director of Debt and Treasury or any other person designated as an Authorized Representative of the Department by a Certificate of the Department signed by its Executive Director and filed with the Issuing and Paying Agent.

“Bank” means any provider of a Liquidity Facility in support of the Commercial Paper Notes, and initially (a) with respect to the Mizuho Supported Notes, Mizuho Corporate Bank, Ltd., acting through its New York Branch and (b) with respect to the Wells Fargo Supported Notes, Wells Fargo Bank, National Association.

“Bank Notes” means any Notes delivered by the Department to a Bank in substantially the form attached to the applicable Liquidity Facility.

“Board” has the meaning set forth in the first recital clause.

“Bond Enabling Laws” means (i) the Resolutions, (ii) Section 609 of the Charter, (iii) the Procedural Ordinance and (iv) any other bond enabling laws that become effective after the date hereof.

“Book-Entry Notes” means Commercial Paper Notes issued in book-entry only form in accordance with Section 2.07.

“Business Day” means any day other than a Saturday, Sunday or other day on which the New York Stock Exchange is closed or on which banks are authorized or required to be closed in Los Angeles, California.

“Certificate of the Department” means a written instrument signed on behalf of the Department by an Authorized Representative. Any such instrument so signed shall be deemed issued and effective for all purposes when a copy thereof is electronically transmitted by computer, telecopier, telex or similar method or mailed by regular or registered mail.

“Certificated Notes” means Commercial Paper Notes issued in certificated form.

“Charter” means the Charter of the City of Los Angeles, effective on July 1, 2000, as the same may be amended or supplemented from time to time.

“Code” means the Internal Revenue Code of 1986, and the regulations issued thereunder, as the same may be amended from time to time, and any successor provisions of law. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

“Commercial Paper Note” or “CP Note” means a commercial paper note, and any subseries thereof, in one of the forms attached hereto as Exhibit A or B, as applicable. Commercial Paper Notes, the interest on which is to be excluded from gross income under Section 103 of the Code, if subject to the alternative minimum tax under the Code shall be designated “Commercial Paper Notes, Series A (Exempt Facility AMT).” Commercial Paper Notes, the interest on which is to be excluded from gross income under Section 103 of the Code, if not subject to the alternative minimum tax under the Code shall be designated “Series B (Exempt Facility Non-AMT)” or “Commercial Paper Notes, Series C (Governmental Non-AMT).” Commercial Paper Notes, the interest on which is not to be excluded from gross income under Section 103 of the Code shall be designated “Commercial Paper Notes, Series D (Taxable).”

“Commitment” has the meaning given such term in Section 7.03(e).

“Costs of Issuance” means all the costs of preparing, issuing and delivering the Commercial Paper Notes and other costs related to the financing provided thereby, including, but not limited to, all printing and document preparation expenses in connection with this Agreement, the Commercial Paper Notes and any offering materials pertaining to the Commercial Paper Notes; rating agency fees; CUSIP Service Bureau charges; consultant fees; market study fees; title insurance and appraisal fees; legal fees and expenses of counsel; any computer and other expenses incurred in connection with the issuance of the Commercial Paper Notes; fees and expenses of any Bank and any counsel to any Bank; the fees and expenses of the Issuing and Paying Agent (including without limitation, origination fees and first annual fees payable in advance); and other costs, fees and expenses incurred in connection with the execution and delivery of the Commercial Paper Notes or the implementation of the financing provided thereby, to the extent such fees and expenses are approved by an Authorized Representative.”

“Costs of Issuance Fund” means the account of that name established pursuant to Section 3.06 hereof.”

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

“Credit Agreements” means, collectively, the Mizuho Credit Agreement and the Wells Fargo Credit Agreement.

“Dealers” means the commercial paper dealers appointed by the Department from time to time for the Commercial Paper Notes.

“Debt Service” means, for any period of calculation, the sum of principal of and interest on the Notes, Parity Obligations and other bonds, notes, certificates and other evidences of indebtedness of the Department, and bonds, notes, certificates and other evidences of indebtedness of the City payable or serviced out of the Harbor Revenue Fund (as calculated based on the reasonable assumptions of the Department), on a parity with the Notes during such period.

“Department” has the meaning set forth in the preamble to this Agreement.

“Fiscal Year” means the twelve month period beginning on July 1 of each year and ending on the next succeeding June 30, both dates inclusive, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Department.

“Harbor District” shall have the meaning set forth in the Charter.

“Harbor Revenue Fund” means the Harbor Revenue Fund established pursuant to Section 656(a) of the Charter.

“Holder” or “Noteholder” means the registered owner of a Commercial Paper Note.

“Independent Certified Public Account” means any firm of certified public accountants appointed by the Department, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

“Independent Financial Consultant” means a financial consultant or firm of such consultants appointed by the Department, and who, or each of whom:

1. is in fact independent and not under control of the Department;
2. does not have any substantial interest, direct or indirect, with the Department; and
3. is not connected with the Department as an officer or employee of the Department, but who may be regularly retained to make reports to the Department.

“Interest Payment Date” means the maturity date of the Notes.

“Issuing and Paying Agent” means the firm serving as issuing and paying agent for the Commercial Paper Notes appointed pursuant to Section 7.01.

“Liquidity Facility” means any reimbursement agreement, credit agreement, line of credit agreement, standby purchase agreement or other agreement pursuant to which a Bank is required



to pay, or to provide funds for the payment of, the principal of or interest on the Commercial Paper Notes, and initially (a) with respect to the Mizuho Supported Notes, the Mizuho Credit Agreement and (b) with respect to the Wells Fargo Supported Notes, the Wells Fargo Credit Agreement.

“Master Notes” shall have the meaning given the term in Section 2.07(a) hereof.

“Maximum Rate” means, on any day, twelve percent (12%) per annum calculated on the basis of a stated interest rate. If Commercial Paper Notes are sold at a discount with or without a stated interest rate, the Maximum Rate on any day means the yield to the purchaser of an effective rate of twelve percent (12%). The Maximum Rate may be increased and shall be decreased as is permitted or required by applicable law.

“Mizuho Credit Agreement” means the Line of Credit Agreement, dated as of July 1, 2012, among the Department, the Issuing and Paying Agent and the Mizuho Corporate Bank, Ltd., acting through its New York Branch, as the same may be amended and supplemented from time to time in accordance with the terms thereof.

“Mizuho Supported Notes” has the meaning set forth in the third recital clause.

“Net Revenues” means Revenues less Operation and Maintenance costs.

“Non-Issuance Instruction” shall have the meaning assigned to such term in Section 7.02(c) of the Credit Agreement.

“Note Counsel” means an attorney or firm of attorneys of recognized national standing in the field of municipal finance selected by the Department.

“Notes” means the Commercial Paper Notes and the Bank Notes authorized to be issued and at any time outstanding pursuant to this Agreement or any agreement supplemental hereto or any Liquidity Facility, as applicable.

“Operation and Maintenance” shall mean the necessary expenses of conducting the Department, including the operation, promotion and maintenance of all harbor or port improvements, works, utilities, appliances, facilities, services, maritime related recreation facilities and watercraft, owned, controlled or operated by the City for the promotion or accommodation of maritime commerce, navigation or fishery, or used in connection therewith, but shall not include any Shortfall Advances, as defined in the Official Statement dated January 29, 1999, with respect to the Alameda Corridor Transportation Authority Taxable Senior Lien Revenue Bonds Series 1999C and Taxable Subordinate Lien Revenue Bonds Series 1999D, as the payments by that name are more particularly defined and described in the Alameda Corridor Use and Operating Agreement, dated as of October 12, 1998, by and among the Department and the other parties thereto, as amended by any amendments and supplements thereto, which the Department is obligated to pay to the Alameda Corridor Transportation Authority pursuant to such Alameda Corridor Use and Operating Agreement.

“Outstanding” when used as of a particular time with reference to Commercial Paper Notes, means all Commercial Paper Notes delivered hereunder except:

(a) Commercial Paper Notes cancelled by the Issuing and Paying Agent or surrendered to the Issuing and Paying Agent for cancellation; and

(b) Commercial Paper Notes in lieu of or in substitution for which replacement Commercial Paper Notes shall have been issued by the Department and delivered by the Issuing and Paying Agent hereunder.

“Paired Obligation” means any Parity Obligations (or portion thereof) designated as Paired Obligations in the resolution, indenture or other document authorizing the issuance or execution and delivery thereof, which are simultaneously issued or executed and delivered (i) the principal of which is of equal amount maturing and to be redeemed or prepaid (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (ii) the interest rates which, taken together, result in an irrevocably fixed interest rate obligation of the Department for the term of all or any portion of the term of such Parity Obligation.

“Parity Obligations” means all bonds and obligations currently outstanding or hereafter issued or incurred by the Department, the security for which includes a pledge or assignment of or a lien on the Revenues on a parity with that of the Notes, which on the date of this Agreement, consist of the Department’s (i) \$63,250,000 aggregate principal amount of Refunding Revenue Bonds, 2002 Series A (AMT); (ii) \$530,660,000 aggregate principal amount of Refunding Revenue Bonds, 2005 Series A, 2005 Series B, 2005 Series C-1, 2006 Series A, 2006 Series B and 2006 Series C; (iii) \$111,300,000 aggregate principal amount of Refunding Revenue Bonds, 2006 Series D (AMT); (iv) \$430,160,000 aggregate principal amount of Revenue Bonds, 2009 Series A and 2009 Series B and Refunding Revenue Bonds, 2009 Series C; and (v) 91,750,000 aggregate principal amount of Refunding Revenue Bonds, 2011 Series A and 2011 Series B.

“Parity Revenue Bond Indentures” means (i) the Indenture of Trust, dated as of July 1, 2001, by and between the Department and BNY Western Trust Company, as trustee; (ii) the Indenture of Trust, dated as of October 1, 2005, by and between the Department and The Bank of New York Trust Company, N.A., as trustee; (iii) the Indenture of Trust, dated as August 1, 2006, by and between the Department and U.S. Bank National Association, as trustee, (iv) the Indenture of Trust, dated as July 1, 2009, by and between the Department and U.S. Bank National Association, as trustee, and (v) the Indenture of Trust, dated as of July 1, 2011, by and between the Department and U.S. Bank National Association, as trustee.

“Principal Component” means, with respect to any Liquidity Facility, the dollar amount that may be drawn on such Liquidity Facility for payment of the unpaid principal amount of Commercial Paper Notes on their stated maturity dates. The Principal Component shall be deemed to be \$125 million under each of the Mizuho Credit Agreement and the Wells Fargo Credit Agreement.

“Procedural Ordinance” means the Charter implementation ordinance related to the procedures for issuance and sale of revenue bonds and other obligations by the Department and amending Sections 11.28.1 through 11.28.9 of Division 11, Chapter 1, Article 6.5 of the Los Angeles Administrative Code to conform the procedures to the applicable Charter sections.

“Program” means Series A Notes, Series B Notes, Series C Notes or Series D Notes issued during an 18-month period beginning on their “date of issue” (defined below) directly to finance capital expenditures, as well as Series A Notes, Series B Notes, Series C Notes or Series D Notes issued during such 18-month period (or, in certain cases, at the option of the Department, after such period to refinance, directly or through a series of refinancings, Series A Notes, Series B Notes, Series C Notes or Series D Notes originally issued directly to finance capital expenditures, and constituting a single issue under the Code. The date of issue of a Program is the first date on which the aggregate amount of Series A Notes, Series B Notes, Series C Notes or Series D Notes under the Program exceeds the lesser of \$50,000 or 5% of the aggregate issue price of the amount of Series A Notes, Series B Notes, Series C Notes or Series D Notes.

“Rating Agency” shall have the meaning assigned to such term in Section 1.01 of the Credit Agreement.

“Rebate Account” means that fund established under Section 3.05.

“Resolutions” means, collectively, Resolution No. 6021 [and No. 6022] adopted by the Board on August 22, 2001, Resolution No. 09-6753 adopted by the Board on June 4, 2009, Resolution No. 10-6958 adopted by the Board on June 24, 2010, and Resolution No. 12-\_\_\_\_ adopted by the Board on \_\_\_\_\_, 2012.

“Revenues” means:

(a) all money received or collected from or arising out of the use or operation of any harbor or port improvement, work, structure, appliance, facility or utility, service, or watercraft, owned, controlled or operated by the City of Los Angeles in or upon or pertaining to the lands and waters, or interests therein, of said City in the Harbor District; all tolls, charges and rentals collected by the Harbor Department; and all compensations or fees required to be paid for franchises or licenses, or otherwise by law or ordinance or order, to the City for the operation of any public service utility upon lands and waters, or interests therein, of the City in the Harbor District; provided that for the avoidance of doubt user fees collected by the Department on behalf of, or required to be transmitted to, third parties pursuant to applicable law and not commingled with Revenues, shall not be deemed to be Revenues; and

(b) all interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder (except interest and gain derived from the Rebate Fund established and maintained hereunder).

“Series A Notes” means, collectively, Commercial Paper Notes, Series A-1 (Exempt Facility AMT), and Commercial Paper Notes, Series A-2 (Exempt Facility AMT).

“Series B Notes” means collectively, Commercial Paper Notes, Series B-1 (Exempt Facility Non-AMT), and Commercial Paper Notes, Series B-2 (Exempt Facility Non-AMT).

“Series C Notes” means, collectively, Commercial Paper Notes, Series C-1 (Governmental Non-AMT), and Commercial Paper Notes, Series C-2 (Governmental Non-AMT).

“Series D Notes” means, collectively, Commercial Paper Notes, Series D-1 (Taxable), and Commercial Paper Notes, Series D-2 (Taxable).

“Substitute Liquidity Facility” means each Liquidity Facility provided by a Bank or Banks in accordance with Section 5.05 hereof.

“Tax Certificate” means the Tax Certificate concerning certain matters pertaining to the use and investment of proceeds of the Commercial Paper Notes, executed by the Department on the date of issuance of the initial delivery of Commercial Paper Notes, including any and all exhibits attached thereto, as such Tax Certificate may be amended or supplemented.

“Termination Date” means, with respect to any Liquidity Facility, the stated termination date of such Liquidity Facility.

“Wells Fargo Credit Agreement” means the Line of Credit Agreement, dated as of July 1, 2013, among the Department, the Issuing and Paying Agent and the Wells Fargo Bank, National Association, as the same may be amended and supplemented from time to time in accordance with the terms thereof.

“Wells Fargo Supported Notes” has the meaning set forth in the fourth recital clause.

Section 1.02. Interpretation. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Amended and Restated Issuing and Paying Agent Agreement, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

## **ARTICLE II**

### **THE NOTES**

Section 2.01. Authorization. Notes are authorized to be issued from time to time in an aggregate principal amount such that the aggregate principal amount outstanding at any one time, represented by (i) the Bank Notes and (ii) the Commercial Paper Notes, does not exceed the lesser of (a) \$250,000,000 and (b) the combined Principal Components under the then-effective Liquidity Facilities. With respect to this Agreement, the Commercial Paper Notes will be issued in four subseries designated as Series A-1, Series B-1, Series C-1 and Series D-1 to evidence the Mizuho Supported Notes, and four subseries designated as Series A-2, Series B-2, Series C-2 and Series D-2 to evidence the Wells Fargo Supported Notes.

Section 2.02. Terms of Notes. Subject to the limitation stated in Section 2.01, Commercial Paper Notes may be issued on any Business Day at such times and in such aggregate principal amounts as from time to time shall be determined by an Authorized Representative. Bank Notes shall be issued in the manner and with the terms and provisions provided in the applicable Liquidity Facility.

Principal of and interest on the Commercial Paper Notes shall become payable at maturity, on such dates as an Authorized Representative authorizing such Commercial Paper

Notes may establish at the time of issuance thereof; provided, however, that no Commercial Paper Note shall mature or become payable (i) on a date other than a Business Day or (ii) more than 270 days from the date of issuance thereof (or, in any event, later than the Business Day immediately preceding the Termination Date of the Liquidity Facility providing liquidity support for such Commercial Paper Notes), or bear interest at rates in excess of the Maximum Rate. Otherwise, Commercial Paper Notes may bear interest at such rates or in such amounts and be payable at maturity as may be fixed by an Authorized Representative at the time of issuance thereof. The Commercial Paper Notes may be sold in such manner at public or private sale, and at par or at such discounts as an Authorized Representative authorizing such Notes shall establish at the time of sale thereof. Interest on the Commercial Paper Notes shall be calculated on the basis of a year consisting of 365/366 days, as applicable, and actual number of days elapsed.

Commercial Paper Notes shall be Commercial Paper Notes, Series A-1 (Exempt Facility AMT), Commercial Paper Notes, Series A-2 (Exempt Facility AMT), Commercial Paper Notes, Series B-1 (Exempt Facility Non-AMT), Commercial Paper Notes, Series B-2 (Exempt Facility Non-AMT), Commercial Paper Notes, Series C-1 (Governmental Non-AMT), Commercial Paper Notes, Series C-2 (Governmental Non-AMT), Commercial Paper Notes, Series D-1 (Taxable) and Commercial Paper Notes, Series D-2 (Taxable), as an Authorized Representative may determine and specify therein at the time of issuance thereof.

Both the principal of and interest, if any, on each Commercial Paper Note shall be payable at the principal office of the Issuing and Paying Agent in lawful money of the United States of America. Principal of and interest on Bank Notes shall be payable at the location specified in such Notes or the Liquidity Facility, as applicable, in lawful money of the United States of America. Any Note may include provision for prepayment if an Authorized Representative so determines.

The Commercial Paper Notes may be issued in denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof. The Commercial Paper Notes of each series shall be serially numbered in consecutive numerical order from lower to higher in the order of their issuance or in such other manner as the Issuing and Paying Agent may deem appropriate.

The Commercial Paper Notes are not subject to redemption by the Department prior to their respective maturity dates.

#### Section 2.03. Forms of Notes.

(a) The Commercial Paper Notes shall be in substantially the forms set forth in Exhibit A (with respect to tax-exempt Commercial Paper Notes) and Exhibit B (with respect to taxable Commercial Paper Notes) hereto (with such variations, omissions and insertions, due to differences in various Commercial Paper Notes with respect to denominations, dates and other provisions, including the delivery of Commercial Paper Notes in certificated form, as may be required or permitted by this Agreement); and

(b) The Bank Notes shall be in substantially the form set forth in the applicable Liquidity Facility (with such variations, omissions and insertions, due to differences in various Bank Notes

with respect to denominations, dates and other provisions, as may be required or permitted by such Liquidity Facility).

Section 2.04. Execution of Notes. Each of the Notes shall be executed in the name and on behalf of the Department, with the signature of an Authorized Representative. Such signature shall be manually affixed to the Notes, except that if Commercial Paper Notes shall have been countersigned by the Issuing and Paying Agent, the signature of the Authorized Representative may be a printed, lithographed or engraved facsimile thereof.

Section 2.05. Transfer of Notes. The Department and the Issuing and Paying Agent may treat the Holder of any Note as the absolute owner of such Note for the purpose of receiving payment thereof and for all other purposes, and neither the Department nor the Issuing and Paying Agent shall be affected by any notice or knowledge to the contrary.

Section 2.06. Commercial Paper Notes Mutilated, Lost, Destroyed or Stolen. If any Commercial Paper Note shall become mutilated the Department, at the expense of the Holder of said Commercial Paper Note, shall execute and deliver a new Commercial Paper Note of like tenor and number in exchange and substitution for the Commercial Paper Note so mutilated, but only upon surrender to the Department of the Commercial Paper Note so mutilated. If any Commercial Paper Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Department and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Department, at the expense of the owner, shall execute and deliver a new Commercial Paper Note of like tenor in lieu of and in substitution for the Commercial Paper Note so lost, destroyed or stolen. Neither the Department nor the Issuing and Paying Agent shall be required to treat both the original Commercial Paper Note and any duplicate Commercial Paper Note as being outstanding for the purpose of determining the principal amount of Commercial Paper Notes which may be issued hereunder, but both the original and the duplicate Commercial Paper Note shall be treated as one and the same.

Section 2.07. The Depository Trust Company and Transfer and Exchange Procedures. Anything in this Agreement to the contrary notwithstanding:

(a) Registration. Upon the direction of an Authorized Representative of the Department, (i) one master Note, Series A-1 (Exempt Facility AMT) and one master Note, Series A-2 (Exempt Facility AMT) in the form set forth in Exhibit K, (ii) one master Note, Series B-1 (Exempt Facility Non-AMT) and one master Note, Series B-2 (Exempt Facility Non-AMT) in the form set forth in Exhibit L, (iii) one master Note, Series C-1 (Governmental Non-AMT) and one master Note, Series C-2 (Governmental Non-AMT) in the form set forth in Exhibit M, and (iv) one Master Note, Series D-1 (Taxable) and one Master Note, Series D-2 (Taxable) in the form set forth in Exhibit N (collectively, the “Master Notes”), may be executed and delivered to the Issuing and Paying Agent as custodian therefor, in said forms or in such other forms as may be requested or required by The Depository Trust Company (as defined below), registered in the name of “Cede & Co.,” as nominee of The Depository Trust Company, New York, New York (hereinafter, Cede & Co. and The Depository Trust Company are referred to collectively as “The Depository Trust Company” or “DTC”). Any Authorized Representative is hereby authorized and directed to negotiate with The Depository Trust Company a Letter of Representation (the “Letter of Representation”) and is authorized to execute and deliver such Letter of

Representation in a form acceptable to the Authorized Representative and the Issuing and Paying Agent. Registered ownership of the Commercial Paper Notes, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.07(b).

(b) Transfer. In the event the Commercial Paper Notes shall be executed and delivered and registered as provided in Section 2.07(a), registered ownership of such Commercial Paper Notes, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company, or its nominee, or of any substitute depository designated pursuant to clause (ii) of this paragraph (b) (“Substitute Depository”); provided that any successor of The Depository Trust Company or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any Substitute Depository not objected to by an Authorized Representative, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by an Authorized Representative to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository so selected shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by an Authorized Representative to discontinue using a depository.

(c) Registration of Commercial Paper Notes Upon Transfer. In the case of any transfer pursuant to clause (i) or clause (ii) of Section 2.07(b), upon receipt of all Outstanding Commercial Paper Notes by the Issuing and Paying Agent, together with a Certificate of the Department to the Issuing and Paying Agent designating the Substitute Depository, A single new master Note, Series A-1 (Exempt Facility AMT), a single new master Note, Series A-2 (Exempt Facility AMT), a single new master Note, Series B-1 (Exempt Facility Non-AMT), a single new master Note, Series B-2 (Exempt Facility Non-AMT), a single new master Note, Series C-1 (Governmental Non-AMT), a single new master Note, Series C-2 (Governmental Non-AMT), a single new master Note, Series D-1 (Taxable) and a single new master Note, Series D-2 (Taxable), which the Department shall prepare or cause to be prepared, shall be executed and delivered to the Issuing and Paying Agent as custodian therefor, registered in the name of such successor or such Substitute Depository, or its nominee, as the case may be, all as specified in such Certificate of the Department. In the case of any transfer pursuant to clause (iii) of Section 2.07(b) hereof, upon receipt of all Outstanding Commercial Paper Notes by the Issuing and Paying Agent, together with a Certificate of the Department to the Issuing and Paying Agent, new Commercial Paper Notes substantially in the form set forth in Exhibit A or B hereto, as applicable, which the Department shall prepare, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such Certificate of

the Department, subject to the limitations of Section 2.07(f), provided that the Issuing and Paying Agent shall deliver such new Commercial Paper Notes as soon as practicable after the date of receipt of such Certificate of the Department from an Authorized Representative.

(d) Registered Holder. The Department and the Issuing and Paying Agent shall be entitled to treat the person in whose name any registered Note is registered and any person presenting a bearer Note as the Holder thereof for all purposes of this Agreement and for purposes of payment of principal of and interest, if any, on such Note, notwithstanding any notice to the contrary received by the Department or the Issuing and Paying Agent; and the Department and the Issuing and Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Commercial Paper Notes. Neither the Department nor the Issuing and Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including The Depository Trust Company or its successor (or any Substitute Depository or its successor except in its capacity as Holder), except to the Holder of any Commercial Paper Notes, and the Issuing and Paying Agent may rely conclusively on its records as to the identity of the Holders of the Commercial Paper Notes.

(e) Payment of Commercial Paper Notes. Notwithstanding any other provision of this Agreement and so long as all Outstanding Commercial Paper Notes are registered in the name of Cede & Co. as nominee of The Depository Trust Company or its registered assigns, the Department and the Issuing and Paying Agent shall cooperate with The Depository Trust Company, as sole registered Holder, and its registered assigns in effecting payment of the principal of and interest, if any, on the Commercial Paper Notes by arranging for payment in such manner that funds for such payments are properly identified and are made available on the date they are due all in accordance with the Letter of Representation, the provisions of which the Issuing and Paying Agent may rely upon to implement the foregoing procedures notwithstanding any inconsistent provisions herein.

(f) Transfer or Exchange. In the case of any transfer pursuant to clause (iii) of Section 2.07(b), any Commercial Paper Note may, in accordance with its terms, be transferred or exchanged for a like aggregate principal amount in authorized denominations, upon the books required to be kept by the Issuing and Paying Agent pursuant to the provisions hereof, by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Commercial Paper Note for cancellation, and, in the case of a transfer, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Issuing and Paying Agent.

Whenever any Commercial Paper Note shall be surrendered for transfer or exchange, the Department shall execute and the Issuing and Paying Agent shall authenticate, if required, and deliver a new Commercial Paper Note or Commercial Paper Notes of authorized denominations for a like aggregate principal amount. The Issuing and Paying Agent shall require the registered Holder requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(g) Registration Books. The Issuing and Paying Agent will keep or cause to be kept, at its principal office in New York, New York, sufficient books for the registration and transfer of the



Commercial Paper Notes, which shall at all times be open to inspection by the Department. Upon presentation for such purpose, the Issuing and Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Commercial Paper Notes as hereinbefore provided.

(h) Surrender of Notes. All Notes surrendered for payment or registration of transfer, if surrendered to any person other than the Issuing and Paying Agent, shall be delivered to the Issuing and Paying Agent and shall be promptly cancelled by it. The Department may at any time deliver to the Issuing and Paying Agent for cancellation any Commercial Paper Notes previously issued and delivered hereunder which the Department may have acquired in any manner whatsoever, and all Commercial Paper Notes so delivered shall promptly be cancelled by the Issuing and Paying Agent. No Commercial Paper Note shall be countersigned in lieu of or in exchange for any Commercial Paper Notes cancelled as provided herein, except as expressly permitted hereunder. All cancelled Commercial Paper Notes held by the Issuing and Paying Agent shall be disposed of as directed by the Department.

### **ARTICLE III**

#### **ISSUANCE AND SALE OF NOTES**

Section 3.01. Issuance and Sale of Commercial Paper Notes. Whenever an Authorized Representative determines that the Department shall sell or issue Commercial Paper Notes, such Authorized Representative shall deliver a Certificate of the Department to the Issuing and Paying Agent, which certificate shall be substantially in the form attached hereto as Exhibit I, prescribing the terms of such Commercial Paper Notes and the sale or issuance thereof or the amount of such indebtedness, all pursuant to Section 2.02, identifying the Liquidity Facility that will provide liquidity for such Commercial Paper Notes, and representing (i) that all action on the part of the Department necessary for the valid issuance of the Commercial Paper Notes then to be issued, has been taken, (ii) that all provisions of California and federal law necessary for the valid issuance of such Commercial Paper Notes with provision, as applicable, for original issue discount and interest excludable from gross income for purposes of federal income taxes and exempt from State of California personal income taxes have been complied with, (iii) that such Commercial Paper Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Department according to their terms, and (iv) excepting Series D Notes, that all covenants of the Department necessary for original issue discount on Commercial Paper Notes or stated interest on the Commercial Paper Notes, as the case may be, and interest on the Bank Notes, to be excludable from gross income for purposes of federal income taxes and exempt from State of California personal income taxes have been complied with. Each such Certificate of the Department shall also certify that:

(a) no Event of Default under Section 6.01 has occurred and is continuing as of the date of such Certificate;

(b) the Department is in compliance with the provisions of Section 2.02 and the covenants set forth in Article V as of the date of such Certificate;

(c) but only with respect to the initial issuance of Commercial Paper Notes under this Agreement, there is attached thereto a report of an Independent Financial Consultant evidencing the satisfaction of the requirements of the Parity Revenue Bond Indentures and Section 5.09 for the issuance of additional Parity Obligations (which report shall be in substantially the form attached as Exhibit C hereto);

(d) no “event of default” exists under any then-effective Liquidity Facility (as specified in such document);

(e) each representation and warranty made by the Department in this Agreement, each then-effective Liquidity Facility and the Dealer Agreements is true and correct in all material respects on and as of such date;

(f) any Liquidity Facility supporting Outstanding Commercial Paper Notes and Commercial Paper Notes then to be issued is in full force and effect and the obligation of the Bank under such Liquidity Facility to pay the principal of and interest on maturing Commercial Paper Notes shall not have terminated or been suspended; and

(g) immediately after the issuance and delivery of such Commercial Paper Notes and after giving effect to any immediate application of the proceeds thereof to the payment of maturing Commercial Paper Notes or repayment of amounts owing under the Bank Notes, the aggregate of unpaid principal on all Commercial Paper Notes Outstanding and the aggregate of the unpaid principal amount evidenced by the Bank Notes will not, in the aggregate, exceed the combined Principal Components under the then-effective Liquidity Facility(ies).

Notwithstanding the foregoing, so long as no Event of Default under Section 6.01 of this Agreement has occurred and is continuing and except as otherwise set forth in the Tax Certificate, if the Department shall sell or issue Commercial Paper Notes for the purpose of paying, refunding or refinancing the principal of or interest on maturing Commercial Paper Notes (any such Commercial Paper Notes being “Refunding Commercial Paper Notes”), there shall be no requirement for the Department to deliver any certificate or any other document in connection with the issuance of such Commercial Paper Notes and the Department shall be permitted to authorize the issuance of Refunding Commercial Paper Notes using any procedure, system or communication of the applicable Dealer(s) and the Issuing and Paying Agent, including, without limitation, any electronic or telephonic instructions or authorizations and any standing instructions or authorizations that permit the issuance of Refunding Commercial Paper Notes without the Department’s specific authorization for each issuance.

If the Issuing and Paying Agent shall receive a Non-Issuance Instruction from the Bank, the Issuing and Paying Agent shall not thereafter deliver any Commercial Paper Notes, notwithstanding any contrary instructions received by the Issuing and Paying Agent from an Authorized Representative or a Dealer, but shall continue to draw on the effective Liquidity Facility(ies) until all Commercial Paper Notes have matured, and shall resume issuing Commercial Paper Notes only if such Non-Issuance Instruction is withdrawn or the precipitating event of default shall have been waived by the Bank. The Issuing and Paying Agent shall immediately give notice to the Department and the Dealers of the receipt of a Non-Issuance Instruction from any Bank. A Non-Issuance Instruction shall not be effective until received by

the Issuing and Paying Agent. If received by the Issuing and Paying Agent by 9:30 a.m. (New York time) on a Business Day, it shall be effective on the same Business Day. Otherwise it shall be effective on the next Business Day. No further authentication or delivery of Commercial Paper Notes shall be made after the effective date of the Non-Issuance Instruction until such time as the Bank, as applicable, shall have rescinded such instructions by a notice in writing to the Issuing and Paying Agent. The Issuing and Paying Agent shall not be responsible for determining the existence of any event or condition pursuant to which a Non-Issuance Instruction may be given by any Bank and shall be entitled conclusively to rely upon any such notice and shall have no obligation or responsibility to make any investigation unto the validity of the facts or matters stated or asserted in any such notice.

Section 3.02. Proceeds of Sale of the Commercial Paper Notes. Contemporaneously with the execution and delivery of this Agreement, and for the purposes of this Agreement, the Issuing and Paying Agent will establish an account designated as the Harbor Department Commercial Paper Note Account in the Department's name (the "Note Account"). By 12:30 p.m., New York City time, on each day on which a Dealer or its agent receives Commercial Paper Notes (whether through the facilities of DTC in the manner set forth in the Letter of Representation or by delivery of Certificated Notes in accordance with this Agreement), such Dealer will pay the purchase price for such Commercial Paper Notes in immediately available funds for deposit to the Note Account. The Issuing and Paying Agent agrees to transfer immediately available funds from the Note Account to the Project Fund established pursuant to Section 3.03 or to the Costs of Issuance Account established pursuant to Section 3.06, as the Department shall direct in the certificate described in Section 3.01, but only to the extent of proceeds of Commercial Paper Notes which are not intended to repay maturing Commercial Paper Notes. Any other proceeds are to be retained in the Note Account by the Issuing and Paying Agent to be applied to the repayment of maturing Commercial Paper Notes pursuant to Section 3.04. If Commercial Paper Notes are not presented for payment, the Issuing and Paying Agent will invest such proceeds in a money market fund or sweep account approved in writing by the Department.

Section 3.03. Project Account.

(a) Contemporaneously with the execution and delivery of this Agreement, and for the purposes of this Agreement, the Issuing and Paying Agent will establish an account designated as the Harbor Department Commercial Paper Project Account in the Department name (the "Project Account"). Within the Project Account, the Issuing and Paying Agent shall establish separate subaccounts for the Series A Notes, the Series B Notes, the Series C Notes and the Series D Notes. Within the separate subaccounts for Series A Notes, the Series B Notes, the Series C Notes and the Series D Notes, the Issuing and Paying Agent shall establish separate subaccounts for each Program. The Issuing and Paying Agent shall deposit to the Project Account all funds received for such purpose pursuant to Section 3.02. Such funds shall be deposited in the applicable subaccount of the Project Account to which the proceeds of the Commercial Paper Notes relate. Withdrawals from the Project Account shall be made only from the subaccount specified in a project expenditure requisition described in paragraph (b) of this Section 3.03.

(b) Before any payment from the Project Account shall be made, the Department shall file or cause to be filed with the Issuing and Paying Agent a requisition in the form of Exhibit G attached hereto. Upon receipt of a requisition, the Issuing and Paying Agent shall pay such requisition in accordance with this Section 3.03.

(c) Upon completion of each project to be financed with a draw on the Project Account, the Department shall complete a Project Completion Tax-Exempt Worksheet substantially in the form of Exhibit F hereto.

#### Section 3.04. Payment of Matured Commercial Paper Notes.

(a) Contemporaneously with the execution and delivery of this Agreement and for the purposes of this Agreement, the Issuing and Paying Agent will establish an account designated as the Harbor Department Commercial Paper Matured Note Redemption Account in the Department's name (the "Matured Note Redemption Account"), and within such account shall establish two subaccounts, designated as the Bank Subaccount (the "Bank Subaccount") and the Department Subaccount (the "Department Subaccount"), respectively.

(b) The Department has entered into the Mizuho Credit Agreement to provide a revolving line of credit with respect to Mizuho Supported Notes. The Department has entered into the Wells Fargo Credit Agreement to provide a revolving line of credit with respect to Wells Fargo Supported Notes. Proceeds may be drawn under the Liquidity Facility(ies) to pay the principal of and interest on maturing Commercial Paper Notes to the extent there are not or will not be proceeds from refunding Commercial Paper Notes available in the Note Account or moneys on deposit in the Department Subaccount of the Matured Note Redemption Account for such purpose. Pursuant to the Credit Agreements, the Department may obtain advances thereunder until 5:00 P.M., New York City time, on the applicable Termination Date, but such Termination Date may be shortened or extended. Amounts drawn under any Liquidity Facility shall be deposited in the Bank Subaccount of the Matured Note Redemption Account. The Issuing and Paying Agent shall draw on the Liquidity Facility(ies) in accordance with its (their) terms such that by 3:00 p.m., New York City time, on the date that any Commercial Paper Notes are scheduled to mature, there shall have been transferred to the Issuing and Paying Agent for deposit in the Bank Subaccount of the Matured Note Redemption Account immediately available funds in an amount which, together with amounts on deposit in the Department Subaccount of the Matured Note Redemption Account and the proceeds of the Commercial Paper Notes to be issued on such date and deposited in the Note Account for payment of maturing Commercial Paper Notes, is at least equal to the amount of Commercial Paper Notes and the interest thereon maturing on such date. When any matured Commercial Paper Note is presented for payment by a Noteholder to the Issuing and Paying Agent (which may, in the case of Book-Entry Notes held by the Issuing and Paying Agent in custody pursuant to the Certificate Agreement, be DTC or nominee of DTC), payment as to principal and the interest thereon is to be made, by 4:00 p.m., New York City time on the maturity date, from and charged first to the Note Account and then to the Department Subaccount within the Matured Note Redemption Account to the extent funds sufficient to effect such payment are available in said accounts, and then to the Bank Subaccount within the Matured Note Redemption Account. Moneys on deposit in the Bank Subaccount of the Matured Note Redemption Account shall be held uninvested. On any date, any moneys remaining on deposit in the Department Subaccount of the Matured Note Redemption Account

after payment of Commercial Paper Notes maturing on such date shall be transferred to or upon the order of the Department, as directed in writing by the Department. On any date, any moneys remaining on deposit in the Bank Subaccount of the Matured Note Redemption Account after payment of Commercial Paper Notes maturing on such date, first, shall be transferred to the Bank to pay any amounts owed by the Department under the Liquidity Facility(ies) and, second, any remaining amounts shall be transferred to the Department.

Section 3.05. Rebate Account.

(a) Contemporaneously with the execution and delivery of this Agreement, and for the purposes of this Agreement, the Issuing and Paying Agent will establish an account designated as the Harbor Department Commercial Paper Rebate Account (the “Rebate Account”). Within the Rebate Account, the Issuing and Paying Agent shall establish a separate subaccount for each Program (except with respect to the Series D Notes). All amounts at any time on deposit in the Rebate Account shall be held by the Issuing and Paying Agent in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the “Rebate Requirement”) pursuant to Section 148 of the Code and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”). Such amounts shall be free and clear of any lien under this Agreement and shall be governed by this Section and Section 5.06 of this Agreement and by the Tax Certificate. The Issuing and Paying Agent shall be deemed conclusively to have complied with the Rebate Requirement if it follows the directions of the Department, and shall have no independent responsibility to, or liability resulting from its failure to, enforce compliance by the Department with the Rebate Requirement.

(b) Deposits.

(1) Within 45 days of the end of each Note Year (as such term is defined in the Tax Certificate), (1) the Department shall calculate or cause to be calculated with respect to the Notes the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Treasury Regulations, using as the “computation date” for this purpose the end of such Note Year, and (2) upon the Department’s written direction, the Issuing and Paying Agent shall deposit to the Rebate Account from deposits from the Department, if and to the extent required, amounts sufficient to cause the balance in the Rebate Account to be equal to the “rebate amount” so calculated.

(2) The Issuing and Paying Agent shall not be required to deposit any amount to the Rebate Account in accordance with the preceding sentence if the amount on deposit in the Rebate Account prior to the deposit required to be made under this subsection (b) equals or exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Account to the extent permitted under subsection (g) of this Section.

(3) The Department shall not be required to calculate the “rebate amount,” and the Issuing and Paying Agent shall not be required to deposit any amount to the Rebate Account in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Commercial Paper Notes (including amounts treated as proceeds of the Commercial Paper Notes) (1) to the extent such proceeds satisfy the expenditure

requirements of Section 148(f)(4)(B), or (2) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the Department shall provide written direction to the Issuing and Paying Agent that the Issuing and Paying Agent shall not be required to deposit any amount to the Rebate Account in accordance with this subsection.

(c) Withdrawal Following Payment of Commercial Paper Notes. Any funds remaining in the Rebate Account after payment in full of all the Commercial Paper Notes and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the Issuing and Paying Agent, including accrued interest and payment of any applicable fees and expenses to the Issuing and Paying Agent, shall be withdrawn by the Issuing and Paying Agent and remitted to the Department.

(d) Withdrawal for Payment of Rebate. Upon the Department’s written direction, but subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Account, the Issuing and Paying Agent shall pay to the United States, from amounts on deposit in the Rebate Account,

(1) not later than 60 days after the end of (i) the fifth Note Year, and (ii) each fifth Note Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Note Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than 60 days after the payment of all Notes, an amount equal to 100% of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) Rebate Payments. Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, which shall be completed by or on behalf of the Department and provided to the Issuing and Paying Agent.

(f) Deficiencies in the Rebate Account. In the event that, prior to the time any payment is required to be made from the Rebate Account, the amount in the Rebate Account is not sufficient to make such payment when such payment is due, the Department shall calculate the amount of such deficiency and direct the Issuing and Paying Agent to deposit an amount received from the Department equal to such deficiency into the Rebate Account prior to the time such payment is due.

(g) Withdrawals of Excess Amounts. In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Account exceeds the “rebate amount” calculated in accordance with said subsection, upon written instructions from the Department, the Issuing

and Paying Agent shall withdraw the excess from the Rebate Account and transfer such excess to the Department.

(h) Record Keeping. The Department shall retain records of all determinations made hereunder until six years after the complete retirement of the Commercial Paper Notes.

(i) Survival of Defeasance. Notwithstanding anything in this Agreement to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Commercial Paper Notes.

#### Section 3.06. Costs of Issuance Account.

(a) The Issuing and Paying Agent will establish an account designated as the Harbor Department Commercial Paper Costs of Issuance Account in the Department name (the “Costs of Issuance Account”), which shall be kept separate and apart from all other fund and moneys held by the Issuing and Paying Agent. Within the Costs of Issuance Account, the Issuing and Paying Agent shall establish separate subaccounts for the Series A Notes, the Series B Notes, the Series C Notes and the Series D Notes. Within the separate subaccounts for the Series A Notes, the Series B Notes, the Series C Notes and the Series D Notes, the Issuing and Paying Agent shall establish separate subaccounts for each Program. The Issuing and Paying Agent shall deposit to the Costs of Issuance Account all funds received for such purpose pursuant to Section 3.02 and any moneys that the Department delivers to the Issuing and Paying Agent for deposit in the Costs of Issuance Account. Such funds shall be deposited in the applicable subaccount of the Costs of Issuance Account to which the proceeds of the Commercial Paper Notes relate.

(b) The Issuing and Paying Agent shall disburse money from the Costs of Issuance Account on such dates and in such amounts as are necessary to pay Costs of Issuance related to the issuance of the Commercial Paper Notes, in each case, promptly after receipt of, and in accordance with, written instruction of an Authorized Representative, together with invoices therefor. Any moneys remaining in the Costs of Issuance Fund three (3) months following the initial date of deposit of such moneys therein, or upon the earlier determination by the Department that all Costs of Issuance related to the issuance of the Commercial Paper Notes have been paid and instruction to the Issuing and Paying Agent to make the transfer provided herein, shall be transferred to the Project Fund and applied as provided therein.

## ARTICLE IV

### PLEDGE OF REVENUES; LIMITED LIABILITY OF DEPARTMENT

Section 4.01. Revenues. The Commercial Paper Notes and the Bank Notes are revenue obligations and shall be payable as to both principal and interest from, and shall be secured by a pledge (which pledge shall be effected in the manner and to the extent hereinafter provided) of and lien on, the Revenues on a parity with the Parity Obligations. The Revenues constitute a trust fund for the security and payment of the interest on and principal of the Commercial Paper Notes, the Bank Notes and all obligations of the Department relating to such Notes hereunder and under the Credit Agreements and all Parity Obligations in accordance with the terms of the

Parity Revenue Bond Indentures. The Revenues are hereby pledged to the payment of the Commercial Paper Notes and the Bank Notes and all obligations of the Department relating to such Notes hereunder and under the Credit Agreements without priority or distinction of one over the other. The pledge of Revenues herein made shall be irrevocable until all of the Commercial Paper Notes and the Bank Notes have been paid and retired and any related obligations of the Department under the Credit Agreements have been satisfied in full.

Section 4.02. Allocation of Revenues. The Department shall allocate the payment of the Revenues to the payment of Operation and Maintenance Costs and to the payment of the Parity Obligations, including the Commercial Paper Notes and the Bank Notes, in the order and priorities set forth in Section 5.02 of each of the Parity Revenue Bond Indentures.

## **ARTICLE V**

### **COVENANTS OF THE DEPARTMENT**

Section 5.01. Authorization. The Department will not permit the aggregate principal amount of indebtedness represented by the Notes outstanding at any one time to exceed the limitations specified in Section 2.01 hereof.

Section 5.02. Punctual Payment. The Department will pay from moneys in the Harbor Revenue Fund, all Operation and Maintenance costs (including amounts reasonably required to be set aside in the contingency reserves for Operation and Maintenance costs, the payment of which is not then immediately required) as they become due and payable. In addition thereto, the Department shall punctually pay or cause to be paid the principal of and interest, if any, on the Notes, in conformity with the Notes and this Agreement.

Section 5.03. Maintenance of Issuing and Paying Agent. The Department will at all times maintain an Issuing and Paying Agent for the Commercial Paper Notes with an office in New York, New York.

Section 5.04. Liquidity Facility. For so long as any Commercial Paper Notes remain Outstanding, the Department will at all times maintain in effect the Credit Agreements or other Liquidity Facility(ies), provided that the combined Principal Components under the Liquidity Facilities in effect at any one time shall not exceed \$250 million, and provided that the provisions of Section 5.05 shall have been met in connection with any liquidity facility substitution.

Section 5.05. Substitute Liquidity Facility. The Department may obtain one or more Substitute Liquidity Facilities to replace one or more Liquidity Facilities then in effect hereunder, or any portion thereof, so long as the combined Principal Components of said Substitute Liquidity Facility(ies) does not exceed the aggregate principal amount of the Commercial Paper Notes maturing on the substitution date, plus the aggregate principal amount of Commercial Paper Notes authorized but not then Outstanding under this Agreement. At no time shall a Substitute Liquidity Facility replace one or more Liquidity Facilities then in effect with respect to Commercial Paper Notes that were Outstanding prior to such replacement and that will remain Outstanding following such replacement. Said Substitute Liquidity Facility shall



go into effect at least one Business Day prior to the termination of the Liquidity Facility (or portion thereof) it replaces. Each Substitute Liquidity Facility shall have a Commitment at least as great as the Principal Component thereunder plus interest thereon at the Maximum Rate for a period of 270 days. The following are further conditions to the Issuing and Paying Agent's ability to accept a Substitute Liquidity Facility:

(i) the Department shall deliver written notice of the proposed substitution to the Issuing and Paying Agent, each Bank and each Dealer not less than twenty (20) days prior to the substitution date;

(ii) there shall be delivered to the Department and the Issuing and Paying Agent written evidence from each rating agency then maintaining a rating on the Commercial Paper Notes at the request of the Department, that the substitution of the Liquidity Facility(ies) then in effect will not, in and of itself, result in any rating then assigned to the Commercial Paper Notes being suspended, reduced or withdrawn;

(iii) the Issuing and Paying Agent shall deliver written notice as provided in Section 8.03 to the Holders of the Commercial Paper Notes at least fifteen (15) days prior to the substitution date;

(iv) an opinion or opinions of counsel to the successor Bank or Banks shall be delivered to the effect that any Substitute Liquidity Facility is a legal, valid and binding obligation of the issuing Bank or Banks and is enforceable against the Bank or Banks in accordance with its terms;

(v) an opinion or opinions of Note Counsel shall be delivered to the effect that the substitution of the Liquidity Facility(ies) is authorized hereunder and will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series A Notes, the Series B Notes and the Series C Notes; and,

(vi) each provider of a Substitute Liquidity Facility shall be rated "A" or better by each rating agency then maintaining a rating on the Commercial Paper Note.

Section 5.06. Opinion of Note Counsel. From and after the initial issuance of Commercial Paper Notes, the legal opinion or opinions of Nixon Peabody LLP or other Note Counsel, as to the validity of the Notes and as to federal income tax and State of California personal income tax matters relating thereto will be furnished to the Bank or Banks and any Noteholder without cost.

Section 5.07. Tax Covenants.

(a) The Department hereby covenants with the owners of the Series A Notes, the Series B Notes and the Series C Notes that, notwithstanding any other provisions of this Agreement, it shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Series A Notes, the Series B Notes and the Series C Notes under Section 103 of the Code. The Department shall not, directly or indirectly, use or permit the use of proceeds of the Series A Notes, the Series B Notes

and the Series C Notes or any of the property financed or refinanced with the proceeds of the Series A Notes, the Series B Notes and the Series C Notes, or any portion thereof, by any person other than a governmental unit (as such term is used in Section 141 of the Code) in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of interest on the Series A Notes, the Series B Notes and the Series C Notes.

(b) The Department shall not take any action, or fail to take any action, if any such action or failure to take action would cause the Series A Notes or the Series B Notes to be other than “exempt facility bonds” within the meaning of Section 142(a)(2) of the Code, and in furtherance thereof, shall not make any use of the proceeds of the Series A Notes or the Series B Notes, or of the portion of the facilities, property or equipment financed or refinanced with the proceeds of the Series A Notes or the Series B Notes, or any portion thereof, as would cause the Series A Notes or the Series B Notes not to qualify under Section 142(a)(2) of the Code as “exempt facility bonds.” The Department shall not take any action, or fail to take any action, if any such action or failure to take action would cause the Series C Notes to be “private activity bonds” within the meaning of Section 141 of the Code, and in furtherance thereof, shall not make any use of the proceeds of the Series C Notes or any of the property financed or refinanced with proceeds of the Series C Notes, or any portion thereof, or any other funds of the Department, that would cause the Series C Notes to be “private activity bonds” with the meaning of Section 141 of the Code. To that end, so long as any Series A Notes, Series B Notes and Series C Notes are Outstanding, the Department, with respect to such proceeds and property and such other funds, will comply with applicable requirements of the Code and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Internal Revenue Code of 1954, as amended (the “1954 Code”), to the extent such requirements are, at the time, applicable and in effect. The Department shall establish reasonable procedures necessary to ensure continued compliance with the aforementioned sections of the Code and the continued qualification of the portion of the facilities, property or equipment financed or refinanced with the proceeds of the Series A Notes, Series B Notes and Series C Notes as “governmental bonds” and as “exempt facility bonds”, respectively.

(c) The Department shall not, directly or indirectly, use or permit the use of any proceeds of the Series A Notes, Series B Notes or Series C Notes, or of any property financed or refinanced thereby, or other funds of the Department, or take or omit to take any action, that would cause the bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. To that end, the Department shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent such requirements are, at the time, in effect and applicable to the Series A Notes, Series B Notes and Series C Notes.

(d) The Department shall not make any use of the proceeds of the Series A Notes, Series B Notes and Series C Notes or any other funds of the Department, or take or omit to take any other action, that would cause the Series A Notes, Series B Notes and Series C Notes to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(e) In furtherance of the foregoing tax covenants of this Section 5.06, the Department covenants that it will comply with the provisions of the Tax Certificate, which is incorporated

herein as if fully set forth herein. These covenants shall survive the payment in full or defeasance of the Series A Notes, Series B Notes and Series C Notes.

Section 5.08. Rates. The Department shall fix rates, tolls and charges, rentals for leases, permits and franchises, and compensations or fees for franchises and licenses, subject to the approval of or submission to the Council only in those instances and in such manner as may be provided in the Charter, and collect such charges, rentals, compensations and fees, such as to provide revenues, after payment of all Operation and Maintenance costs for each Fiscal Year, which will at least equal one hundred twenty-five percent (125%) of Debt Service and other amounts to be paid by the Department hereunder for such Fiscal Year, and during such period the Council shall, when its approval is required by said Charter, approve rates, tolls, charges, rentals, compensations and fees so fixed by said Department, sufficient for the purposes aforesaid; no ordinance adopted by the Council approving any rate, toll, charge, rental compensation or fee so fixed by said Department shall be subject to referendum.

Section 5.09. Restrictions on Additional Indebtedness. No additional Parity Obligations shall be created or incurred,

(i) Unless the Net Revenues for any consecutive twelve calendar month period during the eighteen calendar month period preceding the date of adoption by the Board of the resolution authorizing the issuance or execution of such Parity Obligations, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Financial Consultant on file with the Department, shall have produced a sum equal to at least one hundred twenty-five percent (125%) of the Debt Service due and payable during such twelve calendar month period; and

(ii) The Net Revenues for any consecutive twelve calendar month period during the eighteen calendar month period preceding the date of the execution of such Parity Obligations or the date of adoption by the Board of the resolution authorizing the issuance of such Parity Obligations, including adjustments to give effect as of the first day of such twelve month period to increases or decreases in tolls, charges, rentals, compensations or fees approved and in effect as of the date of calculation, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Financial Consultant on file with the District, shall have produced a sum equal to at least one hundred twenty-five percent (125%) of average Annual Debt Service, including such Parity Obligations being created or incurred, but excluding Parity Obligations to be redeemed or defeased simultaneously with the issuance and with the proceeds of the Parity Obligations being created or incurred;

provided that, as to any such Parity Obligations bearing or comprising interest at other than a fixed rate, the rate of interest on such Parity Obligations shall be equal to the rate per annum of the Bond Buyer Revenue Bond Index most recently published in The Bond Buyer preceding the date of calculation, or if such index is no longer in existence, a comparable index selected by the Department; and

provided further that if any series or issue of such Parity Obligations have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in

any one year, principal of and interest on such series or issue shall be determined for the Fiscal Year of determination as if the principal of and interest on such series or issue of such Parity Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and

*provided further* that “average Annual Debt Service” with respect to the Commercial Paper Notes, any Bank Notes and any Liquidity Advances (as such term is defined under the applicable Credit Agreement) shall be calculated using the following assumptions (a) the principal amount with respect to the Commercial Paper Notes, the Bank Notes and any Liquidity Advances shall be aggregated and taken together and shall collectively be deemed to be outstanding in an aggregate amount of \$200 million (the “Aggregated Principal Amount”), (b) principal of and interest on the Aggregated Principal Amount shall be determined for the Fiscal Year of determination as if the principal of and interest on the Aggregated Principal Amount were being paid in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation and (c) the rate of interest on the Aggregated Principal Amount shall equal to the rate per annum of the Bond Buyer Revenue Bond Index most recently published in The Bond Buyer preceding the date of calculation, or if such index is no longer in existence, a comparable index selected by the Department; and

provided further that, as to any such Parity Obligations or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Parity Obligations or portions thereof, such accreted discount shall be treated as interest, in the calculation of Debt Service; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of principal of and interest on such Parity Obligations shall be deducted from the amount of principal due at the final maturity of the Parity Obligations for which reserve funds was established and in each preceding year until such amount is exhausted; and

provided further that if the Parity Obligations constitute Paired Obligations, the interest rate on such bonds or contracts shall be the resulting linked rate or the effective fixed interest rate to be paid by the Department with respect to such Paired Obligations.

The issuance of bonds, notes or other evidences of indebtedness, or certificates of participation, for the purpose of refunding at or prior to maturity the principal of bonds, notes or other evidences of indebtedness and paying any premium upon redemption of any thereof so refunded shall not be limited or restricted by the provisions of this Section 5.08, if the Debt Service for such bonds, notes or other evidences of indebtedness, in each year shall be lower than the Debt Service on the bonds, notes or other evidences of indebtedness being refunded.

Section 5.10. Initial Issuance of Commercial Paper Notes. The Department shall not provide for the initial issuance of Commercial Paper Notes unless it satisfies each of the following requirements:

(i) The Department shall have executed and delivered each of the Master Notes to the Issuing and Paying Agent;

(ii) The Department shall have executed and delivered a Tax Certificate in form and substance satisfactory to Note Counsel;

(iii) The Issuing and Paying Agent shall have executed (a) a letter of representations (“Letter of Representations”), the terms of which will include the procedures referred to in the Letter of Representations, with the Department and DTC and (b) a certificate agreement (“Certificate Agreement”) with DTC which establishes, or will establish, among other things, the procedures to be followed by the Issuing and Paying Agent in connection with the issuance and custody of Commercial Paper Notes in book-entry form; and

(iv) The Department shall have satisfied each of the conditions to the issuance of Commercial Paper Notes in Section 3.01 of this Agreement and Section 6 of the Dealer Agreements.

## **ARTICLE VI**

### **EVENTS OF DEFAULT AND REMEDIES OF NOTEHOLDERS**

Section 6.01. Events of Default. If one or more of the following events (herein called “Events of Default”) shall happen, that is to say --

(a) if default shall be made in the due and punctual payment of the principal of any Commercial Paper Note when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on any Commercial Paper Note when and as such interest installment shall become due and payable;

(c) if the principal of any Bank Note shall be declared due and payable prior to the maturity thereof pursuant to the Bank Note or the Credit Agreements or this Agreement; or

(d) if the holder of any Parity Obligation or the trustee for any holders of Parity Obligations at the time outstanding exercises a right under the Parity Obligation or the constituent instruments under which such Parity Obligation was issued to declare the principal thereof to be payable prior to the maturity thereof;

then, and in every such event, (i) any Holder of any Commercial Paper Note at the time outstanding may, by notice to the Department, declare the principal of such Holder’s Commercial Paper Notes, and the interest accrued thereon, to be due and payable immediately;

whereupon the same shall become and shall be immediately due and payable, anything in this Agreement or in the Notes contained to the contrary notwithstanding, and (ii) the applicable Bank shall have all remedies set forth in the applicable Credit Agreement.

Section 6.02. Suits at Law or in Equity and Mandamus. In case one or more Events of Default shall occur, then and in every such case any Holder of any Commercial Paper Note at the time Outstanding and the applicable Bank shall be entitled to proceed to protect and enforce such Holder's rights or the Bank's rights, as the case may be, by such appropriate judicial proceeding as such enforcer shall deem most effectual to protect and enforce any such right, whether by mandamus or other suit or proceeding at law or in equity, for the specific performance of any covenant or agreement contained in this Agreement, or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right. The provisions of this Agreement shall be a contract with the Banks and with each and every Holder of Commercial Paper Notes, and the duties of the Department and of the Board shall be enforceable by the Banks or any Noteholder by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

Section 6.03. Remedies Not Exclusive. No remedy herein conferred upon the Banks or the Holders of Commercial Paper Notes is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by the Banks, as applicable, or the Holder of any one or more of the Commercial Paper Notes.

## ARTICLE VII

### ISSUING AND PAYING AGENT

Section 7.01. Appointment of Issuing and Paying Agent. The Department appoints U.S. Bank National Association as the Issuing and Paying Agent, who agrees to act, on the terms and conditions specified in this Agreement and in the Letter of Representations and Certificate Agreement, as custodian and issuing and paying agent for the Commercial Paper Notes. Subject to the provisions of the Credit Agreements, the Department may remove said firm as Issuing and Paying Agent and appoint one or more successors thereto (which shall be a commercial bank with trust powers or trust company), all without notice to or the consent of the Banks or any Noteholder. All Commercial Paper Notes validly authenticated and delivered by an Issuing and Paying Agent prior to its removal, and the authority granted to such Issuing and Paying Agent with respect to the payment of such Commercial Paper Notes, shall be valid obligations notwithstanding such removal, and such Issuing and Paying Agent shall maintain the powers of Issuing and Paying Agent with respect to such Commercial Paper Notes until the same have been paid in full.

Section 7.02. Supply of Commercial Paper Notes. The Department will from time to time furnish the Issuing and Paying Agent with an adequate supply of Commercial Paper Notes, in the form of Book-Entry Notes and/or Certificated Notes, as the Department in its sole and absolute discretion considers appropriate. Certificated Notes shall be serially numbered and shall have been executed by manual or facsimile signature of an Authorized Representative, with the

principal amount, payee, date of issue, maturity date, amount of interest (if an interest-bearing Commercial Paper Note) and maturity value left blank. Book-Entry Notes shall be represented by one or more master notes which shall be executed by manual or facsimile signature by an Authorized Representative in accordance with the Letter of Representations. Pending receipt of instructions pursuant to this Agreement, the Issuing and Paying Agent will hold the Commercial Paper Notes in safekeeping for the account of the Department or DTC, as the case may be, in accordance with the Issuing and Paying Agent's customary practice and the requirements of the Certificate Agreement. The Certificated Notes shall be printed on a manifold that will produce one original and three non-negotiable copies.

Section 7.03. Completion, Authentication, and Delivery of Commercial Paper Notes.

(a) Instructions for the issuance of Commercial Paper Notes will be given via an issuance system (the "System"), if available, or by telephone, promptly confirmed in writing (which may be by facsimile). Confirmation will be provided either by an Authorized Representative, or by an officer or employee of a Dealer who has been designated by an Authorized Representative in writing to the Issuing and Paying Agent as a person authorized to give such instructions (each an "Authorized Dealer Representative"). However, instructions may be given in writing if the System is unavailable or is inoperative. Upon receipt of instructions as just described, the Issuing and Paying Agent will withdraw the necessary Commercial Paper Note(s) from safekeeping. In accordance with those instructions, the Issuing and Paying Agent will, in the case of Book-Entry Notes, cause the issuance of such Book-Entry Notes in the manner set forth in, and take such other actions as are required by, the Letter of Representation and the Certificate Agreement. In the case of Certificated Notes, the Issuing and Paying Agent will:

(i) complete each Certificated Note as to principal amount (which is not to be less than \$100,000), payee, date of issue, maturity date (which is to be a Business Day not to be more than 270 days from the date of issue, and in any event, not later than the Business Day immediately preceding the applicable Termination Date), amount of interest (if any) and maturity value, and will specify whether the Series A Notes, Series B Notes, Series C Notes or Series D Notes; and

(ii) manually countersign each Certificated Note by any one of the Issuing and Paying Agent's officers or employees duly authorized and designated for this purpose; and

(iii) deliver the Certificated Note(s) no later than 2:15 p.m. New York City time to the appropriate Dealer or its agent within the Borough of Manhattan, City and State of New York. The delivery will be against a receipt from such Dealer with payment to follow before the close of business on such day as provided in this Agreement or as otherwise provided in such instructions. (If such instructions do not provide for such receipt, such Dealer will nevertheless pay the purchase price for the Certificated Note in accordance with Section 3.04 of this Agreement.) Of the three non-negotiable copies of each Commercial Paper Note, two will be retained by the Issuing and Paying Agent and one will be sent promptly to the Department.

(b) Instructions given via the System or by telephone or telefax must be entered by 12:30 p.m. New York time for physical issuance and by 2:00 p.m. New York time for book-entry issuance. Instructions delivered by telephone or in writing must be received by the Issuing and Paying Agent by 12:30 p.m., New York time, if the Commercial Paper Note(s) are to be delivered the same day. Telephone instructions are to be confirmed immediately in writing to the Issuing and Paying Agent, but in no event later than 4:00 p.m., New York time on the same day.

(c) The Department understands that although the Issuing and Paying Agent has been instructed to deliver Commercial Paper Notes against a receipt from a Dealer, delivery of Certificated Notes will, in accordance with the custom prevailing in the commercial paper market, be made before receipt of payment in immediately available funds. Therefore, once the Issuing and Paying Agent has delivered a Certificated Note to a Dealer or its agent as provided in Section 7.03(a)(iii) of this Agreement, the Department will bear the risk that a Dealer or its agent fails to remit payment for the Certificated Note to the Issuing and Paying Agent. It is understood that each delivery of Commercial Paper Notes under this Agreement will be subject to the rules of the New York Clearinghouse in effect at the time of such delivery. In no event will the Issuing and Paying Agent be deemed to be extending credit by or on behalf of the Department in connection with the delivery of any Commercial Paper Notes or otherwise under this Agreement.

(d) Except as may otherwise be provided in the Letter of Representations, if at any time the Department instructs the Issuing and Paying Agent to cease issuing Certificated Notes and to issue only Book-Entry Notes, the Issuing and Paying Agent agrees that all Commercial Paper Notes will be issued as Book-Entry Notes unless and until the Issuing and Paying Agent has received written instructions from an Authorized Representative of the Department. (Instructions from an Authorized Dealer Representative will not be sufficient for this purpose.)

(e) The Issuing and Paying Agent will not issue Commercial Paper Notes, whether as Certificated Notes or Book-Entry Notes, which (i) would cause the aggregate principal amount of Commercial Paper Notes to exceed the authorized amount or which would cause the aggregate principal amount of Commercial Paper Notes to exceed such amount of Commercial Paper Notes as to which the Issuing and Paying Agent has received satisfactory evidence have been rated by any rating agency then rating the Commercial Paper Notes, or (ii) have maturity dates which extend beyond the applicable Termination Date or such other date as is specified as the Termination Date by the Department in a written notice to the Issuing and Paying Agent. The Department agrees that it will not seek a reduction or termination of the commitment under each Credit Agreement (the "Commitment") without providing to the Issuing and Paying Agent written advice from the rating agencies then rating the Commercial Paper Notes that such a reduction or termination will not, in and of itself, result in a reduction, withdrawal or suspension of the ratings on the Commercial Paper Notes then in effect. In addition, the Issuing and Paying Agent agrees that upon receipt of a Non-Issuance Instruction or written notice from the Banks of the occurrence of an Event of Default or an Event of Termination as provided in the Credit Agreements, the Issuing and Paying Agent will not thereafter issue any additional Commercial Paper Notes without the prior written consent of the Banks, as applicable.

(f) If the Issuing and Paying Agent is notified in writing on any day by the Dealers that such Dealers are unable to sell sufficient Commercial Paper Notes on that day to repay Commercial Paper Notes maturing on such day, the Issuing and Paying Agent will perform



several tasks. First, the Issuing and Paying Agent will deliver to the Banks a notice of borrowing in accordance with the terms of the Credit Agreements, as applicable, instructing the Banks to pay to the order of the Issuing and Paying Agent the amount which, together with the anticipated proceeds from the sale of Commercial Paper Notes to be deposited in the Note Account and amounts received from the Department for deposit in the Department Subaccount of the Matured Note Redemption Account, will equal the principal of Commercial Paper Notes maturing on such day together with interest thereon. Second, any proceeds received from the Banks in response to said notice of borrowing are to be used to pay principal and interest on Commercial Paper Notes maturing on that day to the extent that there are not sufficient proceeds from newly issued Commercial Paper Notes for deposit to the Note Account and amounts received from the Department for deposit in the Department Subaccount of the Matured Note Redemption Account. Pending such use of proceeds received from the Banks, the Issuing and Paying Agent will invest the same in a money market fund or sweep account approved in writing by the Department.

Section 7.04. Reliance on Instructions. Except as otherwise set forth in this Agreement, the Issuing and Paying Agent will incur no liability to the Department in acting under this Agreement upon telephonic or other instructions which the recipient reasonably believed in good faith to have been given by an Authorized Representative or an Authorized Dealer Representative, as the case may be. If a discrepancy exists with respect to such instructions, the telephonic instructions as confirmed to the Issuing and Paying Agent will be deemed the controlling and proper instructions, unless such instructions are required by this Agreement to be in writing or have not been confirmed to the Issuing and Paying Agent as described in Section 7.03 of this Agreement. It is understood that telephonic instructions may, but are not required to, be recorded by the Issuing and Paying Agent, and the Department consents to such recording.

Section 7.05. Cancellation of Commercial Paper Notes. The Issuing and Paying Agent will in due course cancel and destroy Certificated Note(s) presented for payment and furnish the Department on a timely basis an affidavit of cancellation and destruction. After payment of any matured Book-Entry Note, the Issuing and Paying Agent will annotate its records to reflect the face amount of Book-Entry Notes Outstanding in accordance with the Letter of Representations. Promptly upon the written request of the Department, the Issuing and Paying Agent agrees to cancel and return to the Department all unissued Commercial Paper Notes in its possession at the time of such request.

Section 7.06. Liability. Neither the Issuing and Paying Agent nor its officers, employees or agents shall be liable for any act or omission under this Agreement, except in the case of its own negligence or willful misconduct. The Issuing and Paying Agent's duties and obligations and those of its officers and employees shall be determined by the express provisions of this Agreement, the Letter of Representations, and the Certificate Agreement (including the documents referred to therein), and they shall not be liable except for the performance of such duties and obligations as are specifically set forth in such agreements, and no implied covenants shall be read into any such document against them. Neither the Issuing and Paying Agent nor its officers or employees shall be required to ascertain whether any issuance or sale of Commercial Paper Note(s) (or any amendment or termination of this Agreement) has been duly authorized or is in compliance with any other agreement to which the Department is a party (whether or not the

Issuing and Paying Agent is a party to such other agreement). The Issuing and Paying Agent shall not incur any liability for (i) any act or failure to act made or omitted in good faith, or (ii) any action taken or omitted in reliance upon any instrument, including any written statement of affidavit provided for in this Agreement that the Issuing and Paying Agent shall in good faith believe to be genuine, nor will the Issuing and Paying Agent be liable or responsible for forgeries, fraud, impersonations, or determining the scope of any representative authority. In addition, the Issuing and Paying Agent may consult with legal counsel in connection with the Issuing and Paying Agent's duties under this Agreement and shall be fully protected in any act taken, suffered, or permitted by it in good faith in accordance with the advice of counsel. Except as set forth in Section 8.02 of this Agreement, the Issuing and Paying Agent is not responsible for determining and verifying the authority of any person acting or purporting to act on behalf of any party to this Agreement.

Section 7.07. Indemnification. The Department and its respective successors and assigns agree to indemnify and hold the Issuing and Paying Agent harmless against any and all losses, claims, damages, liabilities, and expenses including reasonable costs of investigation, counsel fees, including reasonable, allocated costs of in-house counsel and disbursements that may be imposed on the Issuing and Paying Agent or incurred by the Issuing and Paying Agent in connection with the performance of its duties under this Agreement, provided that the Department shall not be required to indemnify the Issuing and Paying Agent for any losses, claims, damages, liabilities or expenses to the extent, but only to the extent, caused by the willful misconduct or negligence of the Issuing and Paying Agent, including but not limited to any litigation arising from this Agreement or involving its subject matter. This provision shall survive any expiration or termination of this Agreement.

Section 7.08. City Provisions. The Standard Provisions for City Personal Services Contracts applicable to this transaction as specifically enumerated in Exhibit J hereto are incorporated herein by reference as though fully set forth herein.

## ARTICLE VIII

### MISCELLANEOUS

Section 8.01. Supplemental Agreement. Subject to the applicable provisions of the Credit Agreements, the Department may modify or amend this Agreement and the rights and obligations of the Banks and the Holders of Commercial Paper Notes and the Department hereunder at any time by a supplemental agreement, without notice to or the consent of the Banks or any Noteholder, but only to make such provisions for the purpose of (i) curing any ambiguity, (ii) curing, correcting or supplementing any defective provision contained in this Agreement, or (iii) complying with requirements of the Code, in order to satisfy the covenants of Section 5.06 hereof; in each case as the Department may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the interests of the Banks or the Holders of the Commercial Paper Notes hereunder.

Section 8.02. Authorized Representatives. Annually, on or prior to January 10, or more frequently if necessary to reflect changes, the Department will furnish the Issuing and Paying Agent with a certificate, substantially in the form attached as Exhibit D. The certificate will

certify the incumbency and specimen signatures of officers or agents of the Department (a) authorized to execute Commercial Paper Notes on behalf of the Department by manual or facsimile signature, and/or (b) to otherwise act on behalf of the Department as an Authorized Representative. A new certificate may certify that there has been no change to the preceding certification. Until the Issuing and Paying Agent receives a subsequent incumbency certificate of the Department, the Issuing and Paying Agent is entitled to rely on the last certificate delivered to the Issuing and Paying Agent for purposes of determining the Authorized Representatives. The Issuing and Paying Agent will not have any responsibility to the Department to determine by whom or what means a facsimile signature may have been affixed on the Commercial Paper Notes. The Issuing and Paying Agent will have a responsibility to the Department to determine whether any facsimile or manual signature resembles the specimen signature(s) filed with the Issuing and Paying Agent by a duly Authorized Representative of the Department. Any Commercial Paper Notes bearing the manual or facsimile signature of a person who is an Authorized Representative on the date such signature is affixed shall be binding on the Department after its authentication by the Issuing and Paying Agent notwithstanding that such person shall have died or shall have otherwise ceased to hold his office on the date such Commercial Paper Note is countersigned or delivered to the Issuing and Paying Agent.

Section 8.03. Notices; Addresses.

(a) All communications by or on behalf of the Department or a Dealer, by telephone or otherwise relating to the completion, delivery or payment of the Commercial Paper Note(s) are to be directed to the Issuing and Paying Agent's Commercial Paper Operations (or such other department or division which the Issuing and Paying Agent specifies in writing to the Department and the Dealers). The Department will send all Commercial Paper Notes to be completed and delivered by the Issuing and Paying Agent to its Commercial Paper Operations (or such other department or division as the Issuing and Paying Agent specifies in writing to the Department). The Issuing and Paying Agent will advise the Department and the Dealers from time to time in writing of the individuals generally responsible for the administration of this Agreement and will from time to time certify incumbency and specimen signatures of officers or employees authorized to countersign Commercial Paper Notes.

(b) Notices and other communications under this Agreement are (except to the extent otherwise expressly provided) to be in writing (which may be by facsimile), addressed as follows, or to such other address as the party receiving such notice has previously specified to the party sending such notice.

(i) If to the Department, at:

(A) concerning daily issuance of Commercial Paper Notes:

Port of Los Angeles  
P.O. Box 151  
San Pedro, CA 90733  
Attention: Director of Debt and Treasury  
Telecopy No.: (310) 732-3756

(B) concerning all other matters:

Port of Los Angeles  
P.O. Box 151  
San Pedro, CA 90733  
Attention: Chief Financial Officer  
Telecopy No.: (310) 732-7703

(ii) If to the Issuing and Paying Agent at:

(A) concerning the daily issuance of Commercial Paper Notes:

U.S. Bank National Association  
100 Wall Street, 16<sup>th</sup> Fl.  
New York, NY 10005  
Attn: Commercial Paper Operations  
Fax: (212) 509-4529  
Phone: (212) 361-3841

(B) concerning all other matters:

U.S. Bank National Association  
100 Wall Street, 16<sup>th</sup> Fl.  
New York, NY 10005  
Phone: (212) 361-2894  
Fax: (212) 514-6808

Notices will be deemed delivered when received at the address specified above. For purposes of this paragraph, "when received" means actual receipt (i) of an electronic communication by a telex machine, telecopier or System specified in or pursuant to this Agreement; (ii) or an oral communication by any person answering the telephone at the Issuing and Paying Agent's office specified in Section 8.03(b) of this Agreement and otherwise at the office of the individual or department specified in or pursuant to this Agreement; or (iii) or a written communication hand-delivered at the office specified in or pursuant to this Agreement.

Section 8.04. Additional Information. Upon request of the Department given at any time and from time to time, the Issuing and Paying Agent will promptly provide the Department with information with respect to the Commercial Paper Note(s) issued and paid under this Agreement. Such request is to be in written form and, to the extent known by the Department, is to include the serial number, principal amount, date of issue, maturity date and amount of interest, if any, of each Commercial Paper Note which has been issued or paid by the Issuing and Paying Agent and for which the request is being made.

Section 8.05. Benefit of Agreement. This Agreement is solely for the benefit of the parties to this Agreement, and no other person will acquire or have any right under or by virtue of this Agreement.

Section 8.06. Terms and Termination of Agreement. This Agreement may be terminated at any time by either the Issuing and Paying Agent or the Department by 15 days' prior written notice to the other and the Banks, provided that the Issuing and Paying Agent agrees to continue acting as issuing and paying agent under this Agreement until such time as its successor has been selected and has entered into an agreement with the Department to that effect. Such termination will not affect the respective liabilities of the parties under this Agreement arising prior to such termination. Unless otherwise terminated, this Agreement will have a term of three (3) years; provided, however, that the Executive Director of the Department can extend the term of this Agreement on the same terms and conditions by letter agreement for successive periods of up to two (2) years after the initial term so long as the Commercial Paper Notes are Outstanding.

Section 8.07. Governing Law. This Agreement is to be governed by, and construed in accordance with the laws of the State of New York with respect to the obligations of the Issuing and Paying Agent under this Agreement, and in accordance with the laws of the State of California with respect to the obligations of the Department under this Agreement.

Section 8.08. Fees. The Issuing and Paying Agent will receive fees from the Department for acting as issuing and paying agent under this Agreement in accordance with the Fee Schedule attached as Exhibit H. If the conditions of this Agreement are not promptly fulfilled, or if the Issuing and Paying Agent renders any service not provided for in this Agreement, or if the Issuing and Paying Agent requests a substantial modification of its terms, or if any controversy arises, or if the Issuing and Paying Agent is made a party to, or intervenes in, any litigation pertaining to this Agreement or its subject matter, the Issuing and Paying Agent will be reasonably compensated for such extraordinary services and reimbursed for all costs, attorneys' fees, including allocated costs of in-house counsel, and expenses occasioned by such default, delay, controversy or litigation.

Section 8.09. No Waiver; Remedies. No failure on the part of the Issuing and Paying Agent or the Department to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other further exercise of such right or the exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

Section 8.10. Severability. Any provision of this Agreement that 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 of this Agreement or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 8.11. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties to this Agreement on separate counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document. This Agreement shall become effective when each party to this Agreement shall have received a counterpart of this Agreement duly executed by the other party to this Agreement.

Section 8.12. Prior Agreements Superseded. This Agreement supersedes all prior undertakings and agreements, both written and oral, between the Department and the Issuing and Paying Agent relating to the duties and obligations provided under this Agreement, including (a) that certain Issuing and Paying Agent Agreement, dated as of November 1, 2001 (the “2001 Agreement”), by and between the Department and the Issuing and Paying Agent; (b) that certain Issuing and Paying Agent Agreement, dated as of July 1, 2009 (the “2009 Agreement”), by and between the Department and the Issuing and Paying Agent; (c) the First Supplemental Issuing and Paying Agent Agreement, dated as of July 1, 2010 (the “First Supplemental Agreement”), by and between the Department and the Issuing and Paying Agent; and (d) those undertakings and agreements contained in any commitment letter or term sheet between the Department and the Issuing and Paying Agent. The Department and the Issuing and Paying Agent hereby agree and acknowledge that each of the 2001 Agreement, the 2009 Agreement and the First Supplemental Agreement has terminated in accordance with its respective terms and is no longer of any force and effect.

Section 8.13. Waiver of Personal Liability. No member, officer, agent or employee of the City or the Department shall be individually or personally liable for the payment of the principal of or premium or interest on the Notes or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Agreement.

Section 8.14. Section Headings and References. The headings or titles of the several sections of this Agreement are solely for convenience of reference and do not affect the meaning, construction or effect of this Agreement.

Section 8.15. Payments or Actions Occurring on Non-Business Days. If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made on the action taken on the stated date, and no interest shall accrue for the intervening period; provided, however, that this Section 8.15 shall not apply to Bank Notes.

Section 8.16. Notice to Each Rating Agency. The Department shall give notice to each Rating Agency at its then-current address of any amendments to or modification of this Agreement, any change in the identity of the Issuing and Paying Agent or any Dealer, and any expiration, termination, substitution or extension or any Liquidity Facility.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

**HARBOR DEPARTMENT OF THE  
CITY OF LOS ANGELES**

Attest:

\_\_\_\_\_  
Commission Secretary  
Harbor Department of the City of Los Angeles

By: \_\_\_\_\_  
Chief Financial Officer

Approved as to Form:

CARMEN TRUTANICH, City Attorney

By: \_\_\_\_\_  
Assistant City Attorney

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Authorized Signatory

**[FORM OF TAX-EXEMPT COMMERCIAL PAPER NOTE]**

Unless this Commercial Paper Note is presented by an authorized representative of The Depository Trust Company (“DTC”) to the Department or its agent for registration of transfer, exchange or payment, and any Commercial Paper Note issued is registered in the name of CEDE & CO. or such other name as requested by an authorized representative of DTC (and any payment is made to CEDE & CO. or to such other entity as is requested by an authorized officer of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, since the Registered owner hereof, CEDE & CO., has an interest herein.

Registered  
No. \_\_\_\_\_

Registered  
\$ \_\_\_\_\_

**HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES  
COMMERCIAL PAPER NOTES  
[SERIES A-[1][2] (EXEMPT FACILITY AMT)/  
SERIES B-[1][2] (EXEMPT FACILITY NON-AMT)/  
SERIES C-[1][2] (GOVERNMENTAL NON-AMT)]**

DATE OF ORIGINAL ISSUE

MATURITY DATE

\_\_\_\_\_

\_\_\_\_\_

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_

The Harbor Department of the City of Los Angeles (the “Department”) acknowledges itself indebted to, and for value received, hereby promises to pay from Revenues the proceeds of Commercial Paper or the proceeds of Bank Notes, as defined in the Agreement hereafter described, to the Registered Owner specified above, or to such Registered Owner’s registered assigns or personal representatives, at the principal office of U.S. Bank National Association in New York, New York (the “Issuing and Paying Agent”), the Principal Amount specified above on the Maturity Date specified above, upon its presentation and surrender, and to pay to the Registered Owner, interest on such Principal Amount on the Maturity Date described herein. Interest is calculated on the basis of a 365/66 day year and actual days elapsed, as specified in the Agreement.

The Commercial Paper Note is one of a duly authorized issue of notes of the Department issued pursuant to Series 609 of the Los Angeles City Charter, the Charter implementation ordinance related to the procedures for issuance and sale of revenue bonds and other obligations by the Department and amending Sections 11.28.1 through 11.28.9 of Division 11, Chapter 1,



Article 6.5 of the Los Angeles Administrative Code (collectively, the “Authorizing Act”), and Resolution No. 6021 [and No. 6022] adopted by the Board of Harbor Commissioners of the City of Los Angeles (the “Board”) on August 22, 2001, Resolution No. 09-6753 adopted by the Board on June 4, 2009, Resolution No. 10-6958 adopted by the Board on June 24, 2010 and Resolution No. 12-\_\_\_\_ adopted by the Board on \_\_\_\_\_, 2012 (together, the “Resolutions”), and an Amended and Restated Issuing and Paying Agent Agreement, dated as of July 1, 2012 (the “Agreement”), by and between the Department and the Issuing and Paying Agent.

All Certificates issued under the Agreement are payable from Revenues of the Department which have been pledged to the payment of the Certificates and other Parity Obligations, as defined in the Agreement, and from amounts payable by a bank or banks providing liquidity support under a Liquidity Facility and from no other source. This Commercial Paper Note does not constitute an obligation of the Department other than to pay from Revenues and does not constitute an obligation of the City of Los Angeles or any other public agency.

By acceptance of this Commercial Paper Note the Registered Owner consents to all the terms and conditions hereof, and of the Agreement, a copy of which is on file with the Department.

This Commercial Paper Note is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the office of the Issuing and Paying Agent in New York, New York but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement, and upon surrender and cancellation of this Commercial Paper Note. Upon such transfer a new Commercial Paper Note or Notes of authorized denominations and for the same aggregate principal amount will be issued to the transferees in exchange herefor.

The Department and the Issuing and Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal and interest due hereon and for all other purposes and neither the Department nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the certificate of registration hereon shall have been signed by the Issuing and Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Charter and the Agreement to exist, to have happened and to have been performed precedent to and in the issuance of this Commercial Paper Note, exist, have happened and have been performed in due time, form and manner as required by law, and that this Commercial Paper Note, together with all other indebtedness and obligations of the Department, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

IN WITNESS WHEREOF, the Harbor Department of the City of Los Angeles has caused this Commercial Paper Note, to be executed in its name by the facsimile signature of its Executive Director and countersigned by the facsimile signature of the Secretary of the Board of Harbor Commissioners, and caused its official seal or a facsimile thereof to be affixed hereto.

HARBOR DEPARTMENT OF THE CITY OF  
LOS ANGELES

By: \_\_\_\_\_  
Chief Financial Officer

(SEAL)

COUNTERSIGNED:

\_\_\_\_\_  
Commission Secretary

**CERTIFICATE OF REGISTRATION**

This is one of the Commercial Paper Notes described in the within-mentioned Agreement, which Commercial Paper Note has been registered on the date set forth below and is one of the Harbor Department of the City of Los Angeles Commercial Paper Notes.

Date of Registration:

U.S. BANK NATIONAL ASSOCIATION,  
Issuing and Paying Agent

By: \_\_\_\_\_  
Authorized Signatory

**[FORM OF TAXABLE COMMERCIAL PAPER NOTE]**

Unless this Commercial Paper Note is presented by an authorized representative of The Depository Trust Company (“DTC”) to the Department or its agent for registration of transfer, exchange or payment, and any Commercial Paper Note issued is registered in the name of CEDE & CO. or such other name as requested by an authorized representative of DTC (and any payment is made to CEDE & CO. or to such other entity as is requested by an authorized officer of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, since the Registered owner hereof, CEDE & CO., has an interest herein.

Registered  
No. \_\_\_\_\_

Registered  
\$ \_\_\_\_\_

**HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES  
COMMERCIAL PAPER NOTES (SERIES D) (TAXABLE SERIES)**

DATE OF ORIGINAL ISSUE

MATURITY DATE

\_\_\_\_\_

\_\_\_\_\_

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_

The Harbor Department of the City of Los Angeles (the “Department”) acknowledges itself indebted to, and for value received, hereby promises to pay from Revenues, from the proceeds of Commercial Paper Notes or the proceeds of Bank Notes, as defined in the Agreement hereafter described, to the Registered Owner specified above, or to such Registered Owner’s registered assigns or personal representatives, at the principal office of U.S. Bank National Association in New York, New York (the “Issuing and Paying Agent”), the Principal Amount specified above on the Maturity Date specified above, upon its presentation and surrender. This Commercial Paper Note shall not bear interest on such Principal Amount.

The Commercial Paper Note is one of a duly authorized issue of notes of the Department issued pursuant to Series 609 of the Los Angeles City Charter, the Charter implementation ordinance related to the procedures for issuance and sale of revenue bonds and other obligations by the Department and amending Sections 11.28.1 through 11.28.9 of Division 11, Chapter 1, Article 6.5 of the Los Angeles Administrative Code (collectively, the “Authorizing Act”), and Resolution No. 6021 [and No. 6022] adopted by the Board of Harbor Commissioners of the City of Los Angeles (the “Board”) on August 22, 2001, Resolution No. 09-6753 adopted by the Board on June 4, 2009, Resolution No. 10-6958 adopted by the Board on June 24, 2010 and Resolution No. 12-\_\_\_\_ adopted by the Board on \_\_\_\_\_, 2012 (together, the “Resolutions”), and an

Amended and Restated Issuing and Paying Agent Agreement, dated as of July 1, 2012 (the "Agreement"), by and between the Department and the Issuing and Paying Agent.

All Commercial Paper Notes issued under the Agreement are payable from Revenues of the Department which have been pledged to the payment of the Commercial Paper Notes and other Parity Obligations, as defined in the Agreement, from proceeds of Commercial Paper Notes and from amounts payable by a bank or banks providing liquidity support under a Liquidity Facility and from no other source. This Commercial Paper Note does not constitute an obligation of the Department other than to pay from Revenues and does not constitute an obligation of the City of Los Angeles or any other public agency.

By acceptance of this Commercial Paper Note the Registered Owner consents to all the terms and conditions hereof, and of the Agreement, a copy of which is on file with the Department.

This Commercial Paper Note is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the office of the Issuing and Paying Agent in New York, New York but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement, and upon surrender and cancellation of this Commercial Paper Note. Upon such transfer a new Commercial Paper Note or Notes of authorized denominations and for the same aggregate principal amount will be issued to the transferees in exchange herefor.

The Department and the Issuing and Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal and interest due hereon and for all other purposes and neither the Department nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the certificate of registration hereon shall have been signed by the Issuing and Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Charter and the Agreement to exist, to have happened and to have been performed precedent to and in the issuance of this Commercial Paper Note, exist, have happened and have been performed in due time, form and manner as required by law, and that this Commercial Paper Note, together with all other indebtedness and obligations of the Department, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

IN WITNESS WHEREOF, the Harbor Department of the City of Los Angeles has caused this Commercial Paper Note, to be executed in its name by the facsimile signature of its Executive Director and countersigned by the facsimile signature of the Commission Secretary.

HARBOR DEPARTMENT OF THE CITY OF  
LOS ANGELES

By: \_\_\_\_\_  
Chief Financial Officer

(SEAL)

COUNTERSIGNED:

\_\_\_\_\_  
Commission Secretary

**CERTIFICATE OF REGISTRATION**

This is one of the Commercial Paper Notes described in the within-mentioned Agreement, which Commercial Paper Note has been registered on the date set forth below and is one of the Harbor Department of the City of Los Angeles Commercial Paper Notes.

Date of Registration:

U.S. BANK NATIONAL ASSOCIATION,  
Issuing and Paying Agent

By: \_\_\_\_\_  
Authorized Signatory

**[FORM OF REPORT OF FINANCIAL ADVISOR]**

The undersigned states and certifies that:

(1) I am an authorized representative of \_\_\_\_\_, financial advisor (the “Financial Advisor”) to the Harbor Department of the City of Los Angeles (the “Department”) in connection with the Department’s issuance of (a) Commercial Paper Notes, Series A-1 (Exempt Facility AMT) and Commercial Paper Notes, Series A-2 (Exempt Facility AMT) (together, the “Series A Notes”); (b) Commercial Paper Notes, Series B-1 (Exempt Facility Non-AMT) and Commercial Paper Notes, Series B-2 (Exempt Facility Non-AMT) (together, the “Series B Notes”); (c) Commercial Paper Notes, Series C-1 (Governmental Non-AMT) and Commercial Paper Notes, Series C-2 (Governmental Non-AMT) (together, the “Series C Notes”) and (d) Commercial Paper Notes, Series D-1 (Taxable) and Commercial Paper Notes, Series D-2 (Taxable) (together, the “the Series D Notes,” and together with the Series A Notes, the Series B Notes and the Series C Notes, the “Commercial Paper Notes”), and as such, am authorized and qualified to certify the same and to execute this Report on behalf of the Financial Advisor, in compliance with Sections 3.01(c) and 5.09 of the Issuing and Paying Agent Agreement (as defined below).

(2) The Net Revenues for the consecutive twelve calendar month period ended \_\_\_\_\_ (the “End Date”) produced a sum equal to at least one hundred twenty-five percent (125%) of the Debt Service due and payable during such twelve calendar month period preceding the End Date.

(3) The Net Revenues for the consecutive twelve calendar month period ended on the End Date, including adjustments to give effect as of the first day of such twelve calendar month period preceding the End Date to increases or decreases in tolls, charges, rentals, compensations or fees approved and in effect as of the date of calculation, produced a sum equal to at least one hundred twenty-five percent (125%) of the average Annual Debt Service, including such Parity Obligations being created or incurred, but excluding Parity Obligations to be redeemed or defeased simultaneously with the Commercial Paper Notes to be issued and with the proceeds of the Parity Obligations being created or incurred.

All capitalized terms used herein and not otherwise defined herein, shall have the meanings ascribed thereto in the Amended and Restated Issuing and Paying Agent Agreement, dated as of July 1, 2012, between the Department and U.S. Bank National Association, as Issuing and Paying Agent, as amended and supplemented.



IN WITNESS WHEREOF, I have hereunto set my hand and delivered this Certificate effective as of \_\_\_\_\_.

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

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

**EXHIBIT D**

**[FORM OF DEPARTMENT SIGNATURE AND INCUMBENCY CERTIFICATE]**

Each of the undersigned representatives of the Harbor Department of the City of Los Angeles (the "Department"), by his or her signature confirms that the undersigned are now, and have continuously been since \_\_\_\_\_, \_\_\_\_\_, the duly qualified representatives of the Department holding the offices set opposite their respective names below and certify that each of their signatures set forth below are true and genuine:

<u>Name</u>	Office	<u>Signature</u>
_____	Executive Director	_____
_____	Chief Financial Officer	_____
_____	Director of Debt and Treasury	_____
_____	Commission Secretary	_____

Dated: \_\_\_\_\_, \_\_\_\_\_

**[RESERVED]**

**PROJECT COMPLETION TAX-EXEMPT WORKSHEET**

1. Project Name. \_\_\_\_\_  
\_\_\_\_\_

2. Detailed description of each capital improvement financed from the tax-exempt commercial paper (and, to the extent possible, any and all clearly identifiable components of improvement). Indicate whether Exempt Facilities Non-AMT, Exempt Facilities AMT, Governmental Non-AMT tax-exempt commercial paper, or taxable commercial paper was used.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. The placed-in-service or expected placed-in-service date for each capital improvement (and components thereof). \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. The total cost of each capital improvement to be financed (and components thereof). \_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. The portion of the total cost of each capital improvement (and components thereof) financed with Exempt Facilities Non-AMT, Exempt Facilities AMT, Governmental Non-AMT tax-exempt commercial paper, or taxable commercial paper \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. The reasonably expected economic life of each capital improvement (or components thereof). \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**REQUISITION FORM FOR PAYMENT  
FROM THE PROJECT ACCOUNT**

WHEREAS, the Harbor Department of the City of Los Angeles (the "Department") has appointed, and U.S. Bank National Association (the "Issuing and Paying Agent") has accepted the duties of Issuing and Paying Agent for Commercial Paper Notes of the Harbor Department of the City of Los Angeles (the "Department") issued pursuant to the Amended and Restated Issuing and Paying Agent Agreement dated as of July 1, 2012 (the "Agreement") between the Department and the Issuing and Paying Agent; and

WHEREAS, pursuant to the Agreement, the Issuing and Paying Agent is to receive proceeds from sale of Commercial Paper Notes as defined in the Agreement which are to be deposited into the Project Fund and specified subaccounts therein; and

WHEREAS, the Issuing and Paying Agent has established the Project Account and has deposited in subaccounts therein proceeds from the sale of Commercial Paper Notes transferred from the Note Account for such purpose; and

WHEREAS, the Department now wishes to withdraw certain funds for the payment of such permissible expenditures.

NOW, THEREFORE, the Department hereby requisitions a withdrawal as follows:  
\$\_\_\_\_\_.

(i) (a) Name of Account [Commercial Paper Notes, Series A-1 (Exempt Facility AMT), Commercial Paper Notes, Series A-2 (Exempt Facility AMT), Commercial Paper Notes, Series B-1 (Exempt Facility Non-AMT), Commercial Paper Notes, Series B-2 (Exempt Facility Non-AMT), Commercial Paper Notes, Series C-1 (Governmental Non-AMT), Commercial Paper Notes, Series C-2 (Governmental Non-AMT), Commercial Paper Notes, Series D-1 (Taxable), Commercial Paper Notes, Series D-2 (Taxable)]:

(b) Name and number of project:

(ii) Item number of the payment from this account:

(iii) (a) The name of the project involved:

(b) The amount being requisitioned is for reimbursement of the Department for costs of project theretofore paid by the Department:

(iv) The purpose for which the obligation to be satisfied by such payment was incurred:

(v) The amount requested has been incurred by the Department and each item thereof is a proper charge against the above specified account and has not heretofore been previously paid therefrom;

(vi) There has not been filed with or served upon the Department any notice of lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in such requisition, which has not been released or will not be released simultaneously with the payment of such obligation (other than materialmen's or mechanics' liens accruing by mere operation of law;

(vii) Such activities for which such obligation relates was a contract for [installation] or [construction]; and

(viii) Attached hereto is/are the Department's work order relating to the activities for which the amounts being requisitioned relate.

IN WITNESS WHEREOF, the Department has caused this requisition to be signed by the following person thereunto duly authorized:

HARBOR DEPARTMENT OF THE CITY OF  
LOS ANGELES

By \_\_\_\_\_

**SCHEDULE OF FEES FOR SERVICES AS  
ISSUING AND PAYING AGENT**

(See Attached)

**EXHIBIT I**

**[FORM OF CERTIFICATE AND INSTRUCTIONS OF THE HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES ON ISSUANCE OF COMMERCIAL PAPER NOTES]**

I, \_\_\_\_\_, hereby certify that I am an Authorized Representative (as defined in the Issuing and Paying Agent Agreement (as defined below)) of the Harbor Department of the City of Los Angeles (the “Department”), and that as such, I am authorized to execute this Certificate on behalf of the Department.

The Department has determined to issue Commercial Paper Notes, \_\_\_\_\_ (the “Commercial Paper Notes”) under the Amended and Restated Issuing and Paying Agent Agreement, dated as of July 1, 2012 (the “Issuing and Paying Agent Agreement”), between the Department and U.S. Bank National Association, as Issuing and Paying Agent, as follows:

**Harbor Department of the City of Los Angeles**

**Commercial Paper Notes, \_\_\_\_\_**

Aggregate Principal Amount: \$ \_\_\_\_\_

Interest Rate: \_\_\_\_\_%

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

Sale Price: \$ \_\_\_\_\_

Supporting Liquidity Facility: \_\_\_\_\_

In connection with the issuance of the Commercial Paper Notes, the Department hereby instructs the Issuing and Paying Agent to deposit (a) \$ \_\_\_\_\_ of the proceeds of the Commercial Paper Notes into the applicable subaccount of the Project Account and (b) \$ \_\_\_\_\_ of the proceeds of the Commercial Paper Notes into the \_\_\_\_\_ subaccount of the Costs of Issuance Account, such deposits to be made in accordance with the Issuing and Paying Agent Agreement.

I hereby further certify that:

(i) All actions on the part of the Department necessary for the valid issuance of the Commercial Paper Notes to be issued, have been taken;

(ii) All provisions of California and federal law necessary for the valid issuance of the Commercial Paper Notes with provision, as applicable, for original issue discount and interest excludable from gross income for purposes of federal income taxes and exempt from State of California personal income taxes have been complied with;

(iii) The Commercial Paper Notes in the hands of the Holders thereof will be valid and enforceable obligations of the Department according to their terms;

(iv) [Excepting the Series D Notes,] all covenants of the Department necessary for original issue discount on Commercial Paper Notes or stated interest on the Commercial Paper Notes, as the case may be, and interest on the Bank Notes, to be excludable from gross income for purposes of federal income taxes and exempt from State of California personal income taxes have been complied with;



(v) No Event of Default (as defined in the Issuing and Paying Agent Agreement) has occurred and is continuing as of the date hereof;

(vi) The Department is in compliance with the provisions of Section 2.02 and the covenants set forth in Article V of the Issuing and Paying Agent Agreement as of the date hereof;

(vii) In connection with the initial issuance of Commercial Paper Notes, \_\_\_\_\_, financial advisor to the Department, has complied with Section 3.01(c) of the Issuing and Paying Agent Agreement and has provided a report evidencing the satisfaction of the requirements of the Parity Revenue Bond Indentures and the requirements set forth in Section 5.09 of the Issuing and Paying Agent Agreement for the issuance of additional Parity Obligations;

(viii) No Event of Termination exists under the Liquidity Facilities.

(ix) Each representation and warranty made by the Department in (a) the Issuing and Paying Agent Agreement, (b) the Liquidity Facilities and (c) the Dealer Agreements, is true and correct in all material respects on and as of the date hereof;

(x) Each Liquidity Facility supporting Outstanding Commercial Paper Notes and Commercial Paper Notes then to be issued is in full force and effect, and the obligation of the Bank under such Liquidity Facility to pay the principal of and interest on maturing Commercial Paper Notes has not terminated or been suspended; and

(xi) Immediately after the issuance and delivery of the Commercial Paper Notes and after giving effect to any immediate application of the proceeds thereof to the payment of maturing Commercial Paper Notes or repayment of amounts owing under the Bank Notes, the aggregate of unpaid principal on all Commercial Paper Notes Outstanding and the aggregate of the unpaid principal amount evidenced by the Bank Notes will not, in the aggregate, exceed the combined Principal Components under the Liquidity Facilities.

All capitalized terms used herein and not otherwise defined herein, shall have the meanings ascribed thereto in the Issuing and Paying Agent Agreement, the Liquidity Facilities or the Dealer Agreements, as applicable.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, I have hereunto set my hand and delivered this Certificate effective as of \_\_\_\_\_.

HARBOR DEPARTMENT OF THE CITY  
OF LOS ANGELES

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

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

**CITY REQUIREMENTS**

The Issuing and Paying Agent agrees to comply with the City of Los Angeles requirements listed below.

**A. Inspections and Audits**

The Harbor Department of the City of Los Angeles or any of its duly authorized representatives, upon reasonable written notice, shall receive access, for the purposes of audit and investigation, to any and all books, documents, papers and records of the Issuing and Paying Agent which pertain to the Issuing and Paying Agent Agreement. Said books, documents, papers and records must be retained by the Issuing and Paying Agent for three years following final payment under the Issuing and Paying Agent Agreement. The Department agrees and acknowledges that the Issuing and Paying Agent shall only be required to retain a copy of the final closing transcript for a period of no less than three years following final payment made by the Department hereunder.

**B. Business Tax Registration Certificate**

The Issuing and Paying Agent represents that it is in compliance with the City’s Business Tax Ordinance (Sections 21.09 *et seq.* of the Los Angeles Municipal Code). The Issuing and Paying Agent will provide the Chief Financial Officer evidence of the compliance by the Issuing and Paying Agent with the City’s Business Tax Ordinance. The Issuing and Paying Agent shall maintain, or obtain as necessary, all such Certificates required of them under said Ordinance and shall not allow any such Certificate to be revoked or suspended. The Issuing and Paying Agent shall continue to remain in compliance with the City Business Tax Ordinance as it may be amended from time to time.

**C. Taxpayer Identification Number (“TIN”)**

The Issuing and Paying Agent declares that its authorized TIN is 31-0841368. No payments will be made under the Issuing and Paying Agent Agreement without a valid TIN.

**D. Prohibition Against Assignment or Delegation**

The Issuing and Paying Agent may not, unless it has first obtained written permission of the Harbor Department:

1. Assign or otherwise alienate any of its rights under the Issuing and Paying Agent Agreement, including the right to payment; or
2. Delegate, subcontract or otherwise transfer any of its obligations or duties under the Issuing and Paying Agent Agreement.

#### **E. Independent Contractor**

The Issuing and Paying Agent shall act under the Issuing and Paying Agent Agreement as an independent contractor and not as agents or employees of the City. The Issuing and Paying Agent shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, subcontractors or agent to be agents or employees of the City.

#### **F. Affirmative Action**

The Issuing and Paying Agent, during the performance of this Agreement, shall not discriminate in its employment practices against any employee or applicant for employment because of employee's or applicant's race, religion, national origin, ancestry, sex, age, sexual orientation, disability, marital status, domestic partner status, or medical condition. The provisions of Section 10.8.4 of the Los Angeles Administrative Code shall be incorporated and made a part of this Agreement. All subcontracts awarded shall contain a like nondiscrimination provision. See Exhibit A.

#### **G. Small Business Development Program**

It is the policy of the City to provide minority business enterprises (MBEs), women's business enterprises (WBEs), and all other business enterprises (OBEs) an equal opportunity to participate in the performance of all City contracts in all areas where such contracts afford such participation opportunities. The Issuing and Paying Agent shall assist the Department in implementing this policy and shall use its reasonable best efforts to afford the opportunity for MBEs, WBEs and OBEs to achieve participation in subcontracts where such participation opportunities present themselves and attempt to ensure that all available business enterprises, including MBEs, WBEs, and OBEs have an equal opportunity to compete for and participate in any such participation opportunity which might be presented under the Issuing and Paying Agent Agreement.

NOTE: Prior to being awarded a contract with the City, the Issuing and Paying Agent and all subconsultants must be registered with the Department's Contracts Management Database, *e-DiversityXchange*.

#### **H. Living Wage Policy**

The Issuing and Paying Agent is aware of and agrees to comply with, wherever applicable, (a) Los Angeles Charter Section 378 which requires that a living wage be provided to employees employed in the City of those doing business with the City and to comply with Los Angeles Administrative Code ("LAAC") Section 10.37 *et seq.* and (b) the City's worker retention policy set forth in LAAC Section 10.36 *et seq.* which requires payment of a minimum initial wage rate to employees employed in the City. Violation of this provision, where applicable, shall entitle the City to terminate this Agreement and otherwise pursue legal remedies that may be available.

## **I. Insurance**

The Issuing and Paying Agent certifies that it now has professional liability insurance in the amount of One Million Dollars (\$1,000,000) (the "Coverage Amount") which covers the services performed pursuant to the Issuing and Paying Agent Agreement, and that it will expend every reasonable effort to keep such insurance or its equivalent in effect at all times during performance of the Issuing and Paying Agent Agreement and until two (2) years following acceptance of the completed services. No later than August 31, 2012, the Issuing and Paying Agent shall file with the Department's Executive Director two (2) copies of one of the following: (a) the Issuing and Paying Agent's full liability policy containing a 30-calendar-day cancellation notice, (2) a signed copy of an insurance carrier certificate to such coverage, or (c) a certificate of the Issuing and Paying Agent to the effect that, as of the date thereof, the Issuing and Paying Agent has minimum net retained earnings of \$100,000,000.

## **J. Confidentiality**

The data, documents, reports, or other materials which contain information relating to the review, documentation, analysis and evaluation of the work described in this Agreement and any recommendations made by the Issuing and Paying Agent relative thereto shall be considered confidential and shall not be reproduced, altered, used or disseminated by the Issuing and Paying Agent or its employees or agents in any manner except and only to the extent necessary in the performance of the work under this Agreement. In addition, the Issuing and Paying Agent is required to safeguard such information from access by unauthorized personnel.

## **K. Conflict of Interest**

It is hereby understood and agreed that the parties to this Agreement have read and are aware of the provisions of Section 1090 *et seq.* and Section 87100 *et seq.* of the California Government Code relating to conflict of interest of public officers and employees, as well as the Los Angeles Municipal Code (LAMC) Municipal Ethics and Conflict of Interest provisions of Section 49.5.1 *et seq.* and the Conflict of Interest Codes of the City and Department. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of City relating to this Agreement. Notwithstanding any other provision of this Agreement, it is further understood and agreed that if such financial interest does exist at the inception of this Agreement, City may immediately terminate this Agreement by giving written notice thereof.

## **L. Compliance with Applicable Laws**

The Issuing and Paying Agent shall at all times in the performance of its obligations comply with all applicable laws, statutes, ordinances, rules and regulations, and with the reasonable requests and directions of Executive Director.

**M. Governing Law / Venue**

This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to the conflicts of law, rules and principles of such State. The parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the State or Federal courts located in the County of Los Angeles, State of California, in the judicial district required by court rules.

**N. Trademarks, Copyrights, and Patents**

The Issuing and Paying Agent agrees to save, keep, hold harmless, protect and indemnify the City and any of its officers or agents from any damages, cost, or expenses in law or equity from infringement of any patent, trademark, service mark or copyright of any person or persons, or corporations in consequence of the use by City of any materials supplied by the Issuing and Paying Agent in the performance of this Agreement.

**O. Proprietary Information**

The Issuing and Paying Agent may not disclose to any party without City's permission any information developed pursuant to this Agreement. The Department will, however, have the right to disclose the information as it determines appropriate considering the nature of the information, its use and the laws applicable to the Department.

**P. Equal Benefits Policy**

The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 6328 on January 12, 2005, agreeing to adopt the provisions of Los Angeles City Ordinance No. 172,908, as amended, relating to Equal Benefits, Section 10.8.2.1 *et seq.* of the Los Angeles Administrative Code, as a policy of the Department. The Issuing and Paying Agent shall comply with the policy wherever applicable. Violation of this policy shall entitle the City to terminate any Agreement with the Issuing and Paying Agent and pursue any and all other legal remedies that may be available.

**Q. Notices**

In all cases where written notice is to be given under this Agreement, service shall be deemed sufficient if said notice is deposited in the United States mail, postage prepaid. When so given, such notice shall be effective from the date of mailing of the same. For the purposes hereof, unless otherwise provided by notice in writing from the respective parties, notice to the Department shall be addressed to Director of Debt Management, Los Angeles Harbor Department, P.O. Box 151, San Pedro, California 90733-0151, and notice to the Issuing and Paying Agent shall be addressed to it at the address set forth above. Nothing herein contained shall preclude or render inoperative service of such notice in the manner provided by law.

**R. State Tidelands Grants**

This Agreement is entered into in furtherance of and as a benefit to the State Tidelands Grant and the trust created thereby. Therefore, this Agreement is at all times subject to the limitations, conditions, restrictions and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled “An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City,” approved June 3, 1929 (Stats. 1929, Ch. 651), as amended, and provisions of Article VI of the Charter of the City of Los Angeles relating to such lands. The Issuing and Paying Agent agrees that any interpretation of this Agreement and the terms contained herein must be consistent with such limitations, conditions, restrictions and reservations.

**S. Integration**

This document constitutes the entire Agreement between the parties to this Agreement with respect to the subject matter set forth and supersedes any and all prior Agreements or contracts on this subject matter between the parties, either oral or written. This Agreement may not be amended, waived, or extended, in whole or in part, except in writing signed by both parties.

**T. Severability**

Should any part of this Agreement be found to be invalid, the remainder of this Agreement is to continue in full force and effect.

**U. Termination Provision**

The Board of Harbor Commissioners, in its sole discretion, shall have the right to terminate and cancel all or any part of this Agreement for any reason upon giving the Consultant ten (10) days’ advance, written notice of the Board’s election to cancel and terminate this Agreement. It is agreed that any Agreement entered into shall not limit the right of the City to hire additional consultants or perform the services described in this Agreement either during or after the term of this Agreement.

## **EXHIBITS**

### **A AFFIRMATIVE ACTION PROGRAM PROVISIONS**

**LOS ANGELES ADMINISTRATIVE CODE, SECTION 10.8.4**

### **B SMALL BUSINESS DEVELOPMENT PROGRAM**

➤ **CONSULTANT AFFIDAVIT**

➤ **CONTRACT DESCRIPTION FORM**

### **C BUSINESS TAX REGISTRATION CERTIFICATE (BTRC) NUMBER**

### **D EQUAL BENEFITS ORDINANCE, SECTION 10.8.2.1**



## EXHIBIT A

### AFFIRMATIVE ACTION PROGRAM PROVISIONS: SEC. 10.8.4

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is \$5,000 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 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, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
  - 1. This provision 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 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, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, 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, religion, ancestry, national origin, 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 Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their 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 contract. Such 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 Board of Public Works, Office of Contract Compliance. No such 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, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or Contractor pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such 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 (\$10.00) for each person for each calendar day on which such 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 Office of Contract Compliance 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. The Contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award 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 Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
  2. A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.
- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or 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.
- N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.
- P. 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 or suppliers engaged in the performance of City contracts.
- Q. All contractors subject to the provisions of this section shall include a like 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.

## **EXHIBIT B**

### **SMALL BUSINESS DEVELOPMENT PROGRAM**

The City of Los Angeles Harbor Department is committed to creating an environment that provides all individuals and businesses open access to the business opportunities available at the Port of Los Angeles in a manner that reflects the diversity of the City of Los Angeles. The Port of Los Angeles Small Business Development Program (SBDP or the “Program”) was created to provide additional opportunities for small businesses to participate in any and all contracts. An overall Department goal of 25% has been established for the Program. The specific goal or requirement for each contract may be higher or lower based on the scope of work.

It is the policy of the Harbor Department to solicit participation in the performance of all service contracts by all individuals and businesses, including but not limited to, small business entities (SBEs), women-owned businesses (WBEs), and minority-owned businesses (MBEs). The Program will allow the Port to target more effectively small business participation (including MBEs and WBEs). It is also the intent of the Department to make it easier for small businesses to participate in Port contracts by providing education and assistance on how to do business with the City, including, but not limited to, insuring that payments to small businesses are processed in a timely manner.

A Small Business Enterprise (SBE) is an independently owned and operated business that is not dominant in its field and meets criteria set forth by the Small Business Administration in Title 13, Code of Federal Regulations, Part 121.

The SBDP is a results-oriented program, requiring contractors who receive contracts from the Port to perform outreach and utilize certified small businesses. Based on the work to be performed, it has been determined that the percentage of small business participation will be twenty-five percent (25%). Consultant shall be responsible for determining the SBE status of its subconsultants for purposes of meeting the small business requirement.

The Consultant shall not substitute an SBE firm without obtaining prior approval of the City and amending its Agreement. A request for substitution must be based upon demonstrated good cause. If substitution is permitted, Consultant shall endeavor to make an in-kind substitution for the substituted SBE.

In the event of Consultant’s noncompliance during the performance of the Agreement, Consultant shall be considered in material breach of contract. In addition to any other remedy available to City under this Agreement or by operation of law, the City may withhold invoice payments to Consultant until noncompliance is corrected, and assess the costs of City’s audit of books and records of Consultant and its subconsultants. In the event the Consultant falsifies or misrepresents information contained in any form or other willful noncompliance as determined by City, City may disqualify the Consultant from participation in City contracts for a period of up to five (5) years.

Consultant shall complete, sign, and submit as part of the executed agreement the Contract Description Form (see form attached). The Contract Description Form, when signed, will signify the Consultant’s intent to comply with the Small Business Requirement.

**CONSULTANT AFFIDAVIT**

“The undersigned declares under penalty of perjury pursuant to the laws of the State of California that the following is true and correct and include all material information necessary to identify and explain the operations of

\_\_\_\_\_  
Name of Firm

as well as the ownership thereof. Further, the undersigned agrees to provide either through the prime consultant or, directly to the Harbor Department, complete and accurate information regarding ownership in the named firm, any proposed changes of the ownership and to permit the audit and examination of firm ownership documents in association with this agreement.”

Please indicate the ownership of your company:    SBE                    MBE                    WBE                    OBE

- A Small Business Enterprise (SBE) is an independently owned and operated business that is not dominant in its field and meets criteria set forth by the Small Business Administration in Title 13, Code of Federal Regulations, Part 121.
- A Minority Business Enterprise (MBE) is defined as a business in which a minority owns and controls at 51% of the business. A Woman Business (WBE) is defined as a business in which a woman owns and controls at least 51% of the business. For the purpose of this project, a minority includes:
  - (1) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);
  - (2) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);
  - (3) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands); and
  - (4) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).
- An OBE (Other Business Enterprise) is any enterprise that is not a MBE or WBE.

Signature \_\_\_\_\_ Title \_\_\_\_\_

Printed Name \_\_\_\_\_ Date Signed \_\_\_\_\_

**NOTARY**

On this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_, before me appeared \_\_\_\_\_ (Name) to me personally known, who being duly sworn, did execute the foregoing affidavit, and did state that he/she was properly authorized by \_\_\_\_\_ to execute the affidavit and did so act and deed.

Name of Firm

SEAL

Notary Public \_\_\_\_\_

Commission Expires \_\_\_\_\_

**Contract Description Form**

**PRIME CONTRACTOR**

Contract #: \_\_\_\_\_ Award Date: \_\_\_\_\_ Contract Term: \_\_\_\_\_

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

Business Name: \_\_\_\_\_ Award Total: \$ \_\_\_\_\_

Owner's Ethnicity: \_\_\_ Gender \_\_\_ Group: SBE MBE WBE OBE ((Please check all that apply))

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone:( ) \_\_\_\_\_ FAX: ( ) \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email Address: \_\_\_\_\_

**SUBCONTRACTOR**

Business Name: \_\_\_\_\_ Award Total: \$ \_\_\_\_\_

Services to be provided: \_\_\_\_\_

Owner's Ethnicity: \_\_\_ Gender \_\_\_ Group: SBE MBE WBE OBE ((Please check all that apply))

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone:( ) \_\_\_\_\_ FAX: ( ) \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email Address: \_\_\_\_\_

**SUBCONTRACTOR**

Business Name: \_\_\_\_\_ Award Total: \$ \_\_\_\_\_

Services to be provided: \_\_\_\_\_

Owner's Ethnicity: \_\_\_ Gender \_\_\_ Group: SBE MBE WBE OBE ((Please check all that apply))

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone:( ) \_\_\_\_\_ FAX: ( ) \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email address: \_\_\_\_\_

\_\_\_\_\_  
Authorized Representative of Prime Contractor

\_\_\_\_\_  
Date

**EXHIBIT C**

**BUSINESS TAX REGISTRATION CERTIFICATE (BTRC) NUMBER**

The City of Los Angeles, City Clerk’s Office requires all firms that engage in any business activity within the City of Los Angeles to pay City business taxes. Each firm or individual (other than a municipal employee) is required to obtain the necessary Business Tax Registration Certification (BTRC) and pay business tax. (Los Angeles Municipal code Section 21.190)

All firms and individuals that do business with the City of Los Angeles will be required to provide a BTRC number or an exemption number as proof of compliance with Los Angeles City business tax requirements in order to receive payment for goods or services. Beginning October 14, 1987, payments for goods or services will be withheld unless proof of tax compliance is provided to the City.

The Tax and Permit Division of Los Angeles Office of Finance, has the sole authority to determine whether a firm is covered by business tax requirements. Those firms not required to pay will be given an exemption number.

If you do NOT have a BTRC number contact the Tax and Permit Division at the nearest office listed below, or log on to [www.lacity.org/finance](http://www.lacity.org/finance) in order to download the business tax registration application.

**MAIN OFFICE**

LA City Hall	201 N. Main Street, Rm. 101	(213) 626-9271
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**BRANCH OFFICES**

Van Nuys Civic Center	14401 Erwin Mall	(518) 756-8531
W. LA City Hall	1828 Sawtelle Blvd	(310) 575-8888
Hollywood Office	6501 Fountain Ave	(213) 485-3935
San Pedro City Hall	638 S. Beacon St., Rm. 303	(310) 732-4537
Westchester Municipal Bldg	7166 Manchester, Rm. 9	(213) 473-6750
Watts City Hall	10221 Compton Ave., Rm. 202	(213) 473-5109



## **EXHIBIT D**

### **Sec. 10.8.2.1. Equal Benefits Ordinance.**

Discrimination in the provision of employee benefits between employees with domestic partners and employees with spouses results in unequal pay for equal work. Los Angeles law prohibits entities doing business with the City from discriminating in employment practices based on marital status and/or sexual orientation. The City's departments and contracting agents are required to place in all City contracts a provision that the company choosing to do business with the City agrees to comply with the City's nondiscrimination laws.

It is the City's intent, through the contracting practices outlined in this Ordinance, to assure that those companies wanting to do business with the City will equalize the total compensation between similarly situated employees with spouses and with domestic partners. The provisions of this Ordinance are designed to ensure that the City's contractors will maintain a competitive advantage in recruiting and retaining capable employees, thereby improving the quality of the goods and services the City and its people receive, and ensuring protection of the City's property.

(c) Equal Benefits Requirements.

- (1) No Awarding Authority of the City shall execute or amend any Contract with any Contractor that discriminates in the provision of Benefits between employees with spouses and employees with Domestic Partners, between spouses of employees and Domestic Partners of employees, and between dependents and family members of spouses and dependents and family members of Domestic Partners.
- (2) A Contractor must permit access to, and upon request, must provide certified copies of all of its records pertaining to its Benefits policies and its employment policies and practices to the DAA, for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance.
- (3) A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment: "During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners." The posted statement must also include a City contact telephone number which will be provided each Contractor when the Contract is executed.
- (4) A Contractor must not set up or use its contracting entity for the purpose of evading the requirements imposed by the Equal Benefits Ordinance.

(d) Other Options for Compliance. Provided that the Contractor does not discriminate in the provision of Benefits, a Contractor may also comply with the Equal Benefits Ordinance in the following ways:

- (1) A Contractor may provide an employee with the Cash Equivalent only if the DAA determines that either:
    - a. The Contractor has made a reasonable, yet unsuccessful effort to provide Equal Benefits; or
    - b. Under the circumstances, it would be unreasonable to require the Contractor to provide Benefits to the Domestic Partner (or spouse, if applicable).
  - (2) Allow each employee to designate a legally domiciled member of the employee's household as being eligible for spousal equivalent Benefits.
  - (3) Provide Benefits neither to employees' spouses nor to employees' Domestic Partners.
- (e) Applicability.
- (1) Unless otherwise exempt, a Contractor is subject to and shall comply with all applicable provisions of the Equal Benefits Ordinance.
  - (2) The requirements of the Equal Benefits Ordinance shall apply to a Contractor's operations as follows:
    - a. A Contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the Contract.
    - b. A Contractor's operations on real property located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the Contractor's presence at or on that property is connected to a Contract with the City.
    - c. The Contractor's employees located elsewhere in the United States but outside of the City limits if those employees are performing work on the City Contract.
  - (3) The requirements of the Equal Benefits Ordinance do not apply to collective bargaining agreements ("CBA") in effect prior to January 1, 2000. The Contractor must agree to propose to its union that the requirements of the Equal Benefits Ordinance be incorporated into its CBA upon amendment, extension, or other modification of a CBA occurring after January 1, 2000.
- (f) Mandatory Contract Provisions Pertaining to Equal Benefits. Unless otherwise exempted, every Contract shall contain language that obligates the Contractor to comply with the applicable provisions of the Equal Benefits Ordinance. The language shall include provisions for the following:

- (1) During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the Equal Benefits Ordinance.
- (2) The failure of the Contractor to comply with the Equal Benefits Ordinance will be deemed to be a material breach of the Contract by the Awarding Authority.
- (3) If the Contractor fails to comply with the Equal Benefits Ordinance the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.
- (4) Failure to comply with the Equal Benefits Ordinance may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, *et seq.*, Contractor Responsibility Ordinance.
- (5) If the DAA determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the Equal Benefits Ordinance, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, *et seq.*, Contractor Responsibility Ordinance.

**[FORM OF HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES  
COMMERCIAL PAPER NOTES, SERIES A-[1][2] (EXEMPT FACILITY AMT)]**

**MASTER COMMERCIAL PAPER NOTE**

Registered Owner: CEDE & CO.

Principal Sum: Not to Exceed \$\_\_\_\_\_ Outstanding

The HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES, a proprietary department duly organized and existing under and pursuant to the Charter of the City of Los Angeles and the laws of the State of California (hereinafter called the “Department”), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of the Department (the “Underlying Records”) as being evidenced by this Master Commercial Paper Note, which Underlying Records are maintained by U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”). Interest, if any, shall be calculated on the basis of actual days elapsed in a 365/366-day year, as the case may be, at the rate specified on the Underlying Records. Payments shall be made solely from Revenues of the Department which have been pledged to the payment of the CP Notes (as defined below) and other Parity Obligations (as defined in the Agreement), from proceeds of CP Notes and from amounts payable by a bank or banks providing liquidity support under one or more Liquidity Facilities and from no other source, without the necessity of presentation and surrender of this Master Commercial Paper Note.

This Master Commercial Paper Note is one of a duly authorized issue of the Harbor Department of the City of Los Angeles Commercial Paper Notes (hereinafter called the “CP Notes”) of the series and designation indicated on the face hereof. Said authorized issue of CP Notes consists of multiple series of varying dates, maturities, interest rates and other provisions, as in the Agreement hereinafter mentioned, provided, all obligations issued and to be issued pursuant to the provisions of the Charter of the City of Los Angeles, and all laws of the State of California supplemental thereto, including pursuant to Section 609 of the Los Angeles City Charter, the Charter implementation ordinance related to the procedures for issuance and sale of revenue bonds and other obligations by the Department adding Sections 11.28.1 through 11.28.9 of Division 11, Chapter 1, Article 6.5 to the Los Angeles Administrative Code (collectively, the “Authorizing Act”), and Resolution No. 6021 and No. 6022 adopted by the Board of Harbor Commissioners of the City of Los Angeles (the “Board”) on August 22, 2001, Resolution No. 09-6753 adopted by the Board on June 4, 2009, Resolution No. 10-6958 adopted by the Board on June 24, 2010 and Resolution No. 12-\_\_\_\_ adopted by the Board on \_\_\_\_\_, 2012 (together, the “Resolutions”). This Master Commercial Paper Note evidences a series of Commercial Paper Notes designated as the “Harbor Department of the City of Los Angeles Commercial Paper Notes, Series A-[1][2] (Exempt Facility AMT)” limited to \$\_\_\_\_\_ in aggregate principal amount. This Master Commercial Paper Note has been issued pursuant to the Amended and Restated Issuing and Paying Agent Agreement (the “Agreement”), dated as of

July 1, 2012, between the Department and the Issuing and Paying Agent, which Agreement provides for the issuance of the CP Notes.

Reference is hereby made to the Agreement for a description of the terms on which the CP Notes are issued and to be issued, the provisions with regard to the nature and extent of the Revenues, as that term is defined in the Agreement, and the rights of the registered owners of the CP Notes; and all the terms of the Agreement are hereby incorporated herein and made a contract between the Department and the registered owner from time to time of this Master Commercial Paper Note, and to all the provisions thereof the registered owner of this Master Commercial Paper Note, by its acceptance hereof, consents and agrees.

This Master Commercial Paper Note, including the interest hereon, together with all other CP Notes, and the interest thereon, issued under the Agreement (and to the extent set forth in the Agreement), is payable from, and is secured by a charge and lien on, the Revenues derived by the Department (as those terms are defined in the Agreement).

The CP Notes are special obligations of the Department, and are payable, both as to principal and interest, out of the Revenues and the moneys in the funds and accounts provided in the Agreement and not out of any other fund or moneys of the Department. No holder of this Master Commercial Paper Note shall ever have the right to compel any exercise of the taxing power of the City of Los Angeles to pay this Master Commercial Paper Note or the interest hereon. The Department has no taxing power.

At the request of the registered owner, the Department shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Commercial Paper Note, substantially in the form set forth in Exhibit A to the Agreement. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Commercial Paper Note. This Master Commercial Paper Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Issuing and Paying Agent in New York, New York, but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement, and upon surrender and cancellation of this Master Commercial Paper Note. Upon such transfer a new fully registered Master Commercial Paper Note without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Department and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Department and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Department and of the registered owners of the CP Notes may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Agreement.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Master Commercial Paper Note, and in the issuing of this Master Commercial

Paper Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City of Los Angeles, and that this Master Commercial Paper Note, together with all other indebtedness of the Department, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of CP Notes permitted to be issued under the Agreement.

This Master Commercial Paper Note shall not be entitled to any benefit under the Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Master Commercial Paper Note is a valid and binding obligation of the Department.

Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Agreement.

IN WITNESS WHEREOF, the HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES has caused this Master Commercial Paper Note to be executed in its name and on its behalf by its Executive Director and countersigned by its Commission Secretary and dated as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

HARBOR DEPARTMENT OF THE CITY OF  
LOS ANGELES

By \_\_\_\_\_  
Executive Director

Countersigned:

\_\_\_\_\_  
Commission Secretary

**CERTIFICATE OF AUTHENTICATION**

This is the Master Commercial Paper Note described in the within-mentioned Agreement.

Dated: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION, as  
Issuing and Paying Agent

By \_\_\_\_\_  
Authorized Signatory



**ASSIGNMENT**

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

---

(Name, address, and Taxpayer Identification Number of Assignee)  
this Master Commercial Paper Note and all rights thereunder, hereby irrevocably constituting and appointing  

---

attorney to transfer said Master Commercial Paper Note on the books of the Department with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed

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Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Commercial Paper Note, in every particular, without alteration or enlargement or any change whatsoever.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Department or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

**[FORM OF HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES  
COMMERCIAL PAPER NOTES, SERIES B-[1][2] (EXEMPT FACILITY NON-AMT)]**

**MASTER COMMERCIAL PAPER NOTE**

Registered Owner: CEDE & CO.

Principal Sum: Not to Exceed \$\_\_\_\_\_ Outstanding

The HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES, a proprietary department duly organized and existing under and pursuant to the Charter of the City of Los Angeles and the laws of the State of California (hereinafter called the “Department”), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of the Department (the “Underlying Records”) as being evidenced by this Master Commercial Paper Note, which Underlying Records are maintained by U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”). Interest, if any, shall be calculated on the basis of actual days elapsed in a 365/366-day year, as the case may be, at the rate specified on the Underlying Records. Payments shall be made solely from Revenues of the Department which have been pledged to the payment of the CP Notes (as defined below) and other Parity Obligations (as defined in the Agreement), from proceeds of CP Notes and from amounts payable by a bank or banks providing liquidity support under one or more Liquidity Facilities and from no other source, without the necessity of presentation and surrender of this Master Commercial Paper Note.

This Master Commercial Paper Note is one of a duly authorized issue of Harbor Department of the City of Los Angeles Commercial Paper Notes (hereinafter called the “CP Notes”) of the series and designation indicated on the face hereof. Said authorized issue of CP Notes consists of multiple series of varying dates, maturities, interest rates and other provisions, as in the Agreement hereinafter mentioned provided, all obligations issued and to be issued pursuant to the provisions of the Charter of the City of Los Angeles, and all laws of the State of California supplemental thereto, including pursuant to Section 609 of the Los Angeles City Charter, the Charter implementation ordinance related to the procedures for issuance and sale of revenue bonds and other obligations by the Department adding Sections 11.28.1 through 11.28.9 of Division 11, Chapter 1, Article 6.5 to the Los Angeles Administrative Code (collectively, the “Authorizing Act”), and Resolution No. 6021 and No. 6022 adopted by the Board of Harbor Commissioners of the City of Los Angeles (the “Board”) on August 22, 2001, Resolution No. 09-6753 adopted by the Board on June 4, 2009, Resolution No. 10-6958 adopted by the Board on June 24, 2010 and Resolution No. 12-\_\_\_\_ adopted by the Board on \_\_\_\_\_, 2012 (together, the “Resolutions”). This Master Commercial Paper Note evidences a series of Commercial Paper Notes designated as the “Harbor Department of the City of Los Angeles Commercial Paper Notes, Series B-[1][2] (Exempt Facility Non-AMT)” limited to \$\_\_\_\_\_ in aggregate principal amount. This Master Commercial Paper Note has been issued pursuant to the Amended and Restated Issuing and Paying Agent Agreement (the “Agreement”), dated as of July 1, 2012,

between the Department and the Issuing and Paying Agent, which Agreement provides for the issuance of the CP Notes.

Reference is hereby made to the Agreement for a description of the terms on which the CP Notes are issued and to be issued, the provisions with regard to the nature and extent of the Revenues, as that term is defined in the Agreement, and the rights of the registered owners of the CP Notes; and all the terms of the Agreement are hereby incorporated herein and made a contract between the Department and the registered owner from time to time of this Master Commercial Paper Note, and to all the provisions thereof the registered owner of this Master Commercial Paper Note, by its acceptance hereof, consents and agrees.

This Master Commercial Paper Note, including the interest hereon, together with all other CP Notes, and the interest thereon, issued under the Agreement (and to the extent set forth in the Agreement), is payable from, and is secured by a charge and lien on, the Revenues derived by the Department (as those terms are defined in the Agreement).

The CP Notes are special obligations of the Department, and are payable, both as to principal and interest, out of the Revenues and the moneys in the funds and accounts provided in the Agreement and not out of any other fund or moneys of the Department. No holder of this Master Commercial Paper Note shall ever have the right to compel any exercise of the taxing power of the City of Los Angeles to pay this Master Commercial Paper Note or the interest hereon. The Department has no taxing power.

At the request of the registered owner, the Department shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Commercial Paper Note, substantially in the form set forth in Exhibit A to the Agreement. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Commercial Paper Note. This Master Commercial Paper Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Issuing and Paying Agent in New York, New York, but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement, and upon surrender and cancellation of this Master Commercial Paper Note. Upon such transfer a new fully registered Master Commercial Paper Note without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Department and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Department and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Department and of the registered owners of the CP Notes may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Agreement.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Master Commercial Paper Note, and in the issuing of this Master Commercial

Paper Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City of Los Angeles, and that this Master Commercial Paper Note, together with all other indebtedness of the Department, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of CP Notes permitted to be issued under the Agreement.

This Master Commercial Paper Note shall not be entitled to any benefit under the Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Master Commercial Paper Note is a valid and binding obligation of Department.

Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Agreement.

IN WITNESS WHEREOF, the HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES has caused this Master Commercial Paper Note to be executed in its name and on its behalf by its Executive Director and countersigned by its Commission Secretary and dated as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

HARBOR DEPARTMENT OF THE CITY OF  
LOS ANGELES

By \_\_\_\_\_  
Executive Director

Countersigned:

\_\_\_\_\_  
Commission Secretary

**CERTIFICATE OF AUTHENTICATION**

This is the Master Commercial Paper Note described in the within-mentioned Agreement.

Dated: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION, as  
Issuing and Paying Agent

By \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

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

\_\_\_\_\_  
(Name, address, and Taxpayer Identification Number of Assignee)  
this Master Commercial Paper Note and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_  
attorney to transfer said Master Commercial Paper Note on the books of the Department with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed

\_\_\_\_\_  
Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Commercial Paper Note, in every particular, without alteration or enlargement or any change whatsoever.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Department or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

**[FORM OF HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES  
COMMERCIAL PAPER NOTES, SERIES C-[1][2] (GOVERNMENTAL NON-AMT)]**

**MASTER COMMERCIAL PAPER NOTE**

Registered Owner: CEDE & CO.

Principal Sum: Not to Exceed \$\_\_\_\_\_ Outstanding

The HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES, a proprietary department duly organized and existing under and pursuant to the Charter of the City of Los Angeles and the laws of the State of California (hereinafter called the “Department”), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of the Department (the “Underlying Records”) as being evidenced by this Master Commercial Paper Note, which Underlying Records are maintained by U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”). Interest, if any, shall be calculated on the basis of actual days elapsed in a 365/366-day year, as the case may be, at the rate specified on the Underlying Records. Payments shall be made solely from Revenues of the Department which have been pledged to the payment of the CP Notes (as defined below) and other Parity Obligations (as defined in the Agreement), from proceeds of CP Notes and from amounts payable by a bank or banks providing liquidity support under one or more Liquidity Facilities and from no other source, without the necessity of presentation and surrender of this Master Commercial Paper Note.

This Master Commercial Paper Note is one of a duly authorized issue of Harbor Department of the City of Los Angeles Commercial Paper Notes (hereinafter called the “CP Notes”) of the series and designation indicated on the face hereof. Said authorized issue of CP Notes consists of multiple series of varying dates, maturities, interest rates and other provisions, as in the Agreement hereinafter mentioned provided, all obligations issued and to be issued pursuant to the provisions of the Charter of the City of Los Angeles, and all laws of the State of California supplemental thereto, including pursuant to Section 609 of the Los Angeles City Charter, the Charter implementation ordinance related to the procedures for issuance and sale of revenue bonds and other obligations by the Department adding Sections 11.28.1 through 11.28.9 of Division 11, Chapter 1, Article 6.5 to the Los Angeles Administrative Code (collectively, the “Authorizing Act”), and Resolution No. 6021 and No. 6022 adopted by the Board of Harbor Commissioners of the City of Los Angeles (the “Board”) on August 22, 2001, Resolution No. 09-6753 adopted by the Board on June 4, 2009, Resolution No. 10-6958 adopted by the Board on June 24, 2010 and Resolution No. 12-\_\_\_\_ adopted by the Board on \_\_\_\_\_, 2012 (together, the “Resolutions”). This Master Commercial Paper Note evidences a series of Commercial Paper Notes designated as the “Harbor Department of the City of Los Angeles Commercial Paper Notes, Series C-[1][2] (Governmental Non-AMT)” limited to \$\_\_\_\_\_ in aggregate principal amount. This Master Commercial Paper Note has been issued pursuant to the Amended and Restated Issuing and Paying Agent Agreement (the “Agreement”), dated as of July 1, 2012,



between the Department and the Issuing and Paying Agent, which Agreement provides for the issuance of the CP Notes.

Reference is hereby made to the Agreement for a description of the terms on which the CP Notes are issued and to be issued, the provisions with regard to the nature and extent of the Revenues, as that term is defined in the Agreement, and the rights of the registered owners of the CP Notes; and all the terms of the Agreement are hereby incorporated herein and made a contract between the Department and the registered owner from time to time of this Master Commercial Paper Note, and to all the provisions thereof the registered owner of this Master Commercial Paper Note, by its acceptance hereof, consents and agrees.

This Master Commercial Paper Note, including the interest hereon, together with all other CP Notes, and the interest thereon, issued under the Agreement (and to the extent set forth in the Agreement), is payable from, and is secured by a charge and lien on, the Revenues derived by the Department (as those terms are defined in the Agreement).

The CP Notes are special obligations of the Department, and are payable, both as to principal and interest, out of the Revenues and the moneys in the funds and accounts provided in the Agreement and not out of any other fund or moneys of the Department. No holder of this Master Commercial Paper Note shall ever have the right to compel any exercise of the taxing power of the City of Los Angeles to pay this Master Commercial Paper Note or the interest hereon. The Department has no taxing power.

At the request of the registered owner, the Department shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Commercial Paper Note, substantially in the form set forth in Exhibit A to the Agreement. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Commercial Paper Note. This Master Commercial Paper Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Issuing and Paying Agent in New York, New York, but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement, and upon surrender and cancellation of this Master Commercial Paper Note. Upon such transfer a new fully registered Master Commercial Paper Note without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Department and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Department and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Department and of the registered owners of the CP Notes may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Agreement.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Master Commercial Paper Note, and in the issuing of this Master Commercial

Paper Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City of Los Angeles, and that this Master Commercial Paper Note, together with all other indebtedness of the Department, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of CP Notes permitted to be issued under the Agreement.

This Master Commercial Paper Note shall not be entitled to any benefit under the Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Master Commercial Paper Note is a valid and binding obligation of Department.

Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Agreement.

IN WITNESS WHEREOF, the HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES has caused this Master Commercial Paper Note to be executed in its name and on its behalf by its Executive Director and countersigned by its Commission Secretary and dated as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

HARBOR DEPARTMENT OF THE CITY OF  
LOS ANGELES

By \_\_\_\_\_  
Executive Director

Countersigned:

\_\_\_\_\_  
Commission Secretary

**CERTIFICATE OF AUTHENTICATION**

This is the Master Commercial Paper Note described in the within-mentioned Agreement.

Dated: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION, as  
Issuing and Paying Agent

By \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

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

\_\_\_\_\_  
(Name, address, and Taxpayer Identification Number of Assignee)  
this Master Commercial Paper Note and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said Master Commercial Paper Note on the books of the Department with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed

\_\_\_\_\_  
Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Commercial Paper Note, in every particular, without alteration or enlargement or any change whatsoever.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Department or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

**[FORM OF HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES  
COMMERCIAL PAPER NOTES, SERIES D-[1][2] (TAXABLE)]**

**MASTER COMMERCIAL PAPER NOTE**

Registered Owner: CEDE & CO.

Principal Sum: Not to Exceed \$\_\_\_\_\_ Outstanding

The HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES, a proprietary department duly organized and existing under and pursuant to the Charter of the City of Los Angeles and the laws of the State of California (hereinafter called the “Department”), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of the Department (the “Underlying Records”) as being evidenced by this Master Commercial Paper Note, which Underlying Records are maintained by U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”). Interest, if any, shall be calculated on the basis of actual days elapsed in a 365/366-day year, as the case may be, at the rate specified on the Underlying Records. Payments shall be made solely from Revenues of the Department which have been pledged to the payment of the CP Notes (as defined below) and other Parity Obligations (as defined in the Agreement), from proceeds of CP Notes and from amounts payable by a bank or banks providing liquidity support under one or more Liquidity Facilities and from no other source, without the necessity of presentation and surrender of this Master Commercial Paper Note.

This Master Commercial Paper Note is one of a duly authorized issue of Harbor Department of the City of Los Angeles Commercial Paper Notes (hereinafter called the “CP Notes”) of the series and designation indicated on the face hereof. Said authorized issue of CP Notes consists of multiple series of varying dates, maturities, interest rates and other provisions, as in the Agreement hereinafter mentioned provided, all obligations issued and to be issued pursuant to the provisions of the Charter of the City of Los Angeles, and all laws of the State of California supplemental thereto, including pursuant to Section 609 of the Los Angeles City Charter, the Charter implementation ordinance related to the procedures for issuance and sale of revenue bonds and other obligations by the Department adding Sections 11.28.1 through 11.28.9 of Division 11, Chapter 1, Article 6.5 to the Los Angeles Administrative Code (collectively, the “Authorizing Act”), and Resolution No. 6021 and No. 6022 adopted by the Board of Harbor Commissioners of the City of Los Angeles (the “Board”) on August 22, 2001, Resolution No. 09-6753 adopted by the Board on June 4, 2009, Resolution No. 10-6958 adopted by the Board on June 24, 2010 and Resolution No. 12-\_\_\_\_ adopted by the Board on \_\_\_\_\_, 2012 (together, the “Resolutions”). This Master Commercial Paper Note evidences a series of Commercial Paper Notes designated as the “Harbor Department of the City of Los Angeles Commercial Paper Notes, Series D-[1][2] (Taxable)” limited to \$\_\_\_\_\_ in aggregate principal amount. This Master Commercial Paper Note has been issued pursuant to the Amended and Restated Issuing and Paying Agent Agreement (the “Agreement”), dated as of July 1, 2012,

between the Department and the Issuing and Paying Agent, which Agreement provides for the issuance of the CP Notes.

Reference is hereby made to the Agreement for a description of the terms on which the CP Notes are issued and to be issued, the provisions with regard to the nature and extent of the Revenues, as that term is defined in the Agreement, and the rights of the registered owners of the CP Notes; and all the terms of the Agreement are hereby incorporated herein and made a contract between the Department and the registered owner from time to time of this Master Commercial Paper Note, and to all the provisions thereof the registered owner of this Master Commercial Paper Note, by its acceptance hereof, consents and agrees.

This Master Commercial Paper Note, including the interest hereon, together with all other CP Notes, and the interest thereon, issued under the Agreement (and to the extent set forth in the Agreement), is payable from, and is secured by a charge and lien on, the Revenues derived by the Department (as those terms are defined in the Agreement).

The CP Notes are special obligations of the Department, and are payable, both as to principal and interest, out of the Revenues and the moneys in the funds and accounts provided in the Agreement and not out of any other fund or moneys of the Department. No holder of this Master Commercial Paper Note shall ever have the right to compel any exercise of the taxing power of the City of Los Angeles to pay this Master Commercial Paper Note or the interest hereon. The Department has no taxing power.

At the request of the registered owner, the Department shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Commercial Paper Note, substantially in the form set forth in Exhibit B to the Agreement. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Commercial Paper Note. This Master Commercial Paper Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Issuing and Paying Agent in New York, New York, but only in the manner, subject to the limitations and upon payment of the charges provided in the Agreement, and upon surrender and cancellation of this Master Commercial Paper Note. Upon such transfer a new fully registered Master Commercial Paper Note without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Department and the Issuing and Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Department and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the Department and of the registered owners of the CP Notes may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Agreement.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Master Commercial Paper Note, and in the issuing of this Master Commercial

Paper Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City of Los Angeles, and that this Master Commercial Paper Note, together with all other indebtedness of the Department, is within every debt limitation and other limit prescribed by the Constitution and statutes of the State of California and said Charter, and is not in excess of the amount of CP Notes permitted to be issued under the Agreement.

This Master Commercial Paper Note shall not be entitled to any benefit under the Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Issuing and Paying Agent. This Master Commercial Paper Note is a valid and binding obligation of Department.

Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Agreement.



IN WITNESS WHEREOF, the HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES has caused this Master Commercial Paper Note to be executed in its name and on its behalf by its Executive Director and countersigned by its Commission Secretary and dated as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

HARBOR DEPARTMENT OF THE CITY OF  
LOS ANGELES

By \_\_\_\_\_  
Executive Director

Countersigned:

\_\_\_\_\_  
Commission Secretary

**CERTIFICATE OF AUTHENTICATION**

This is the Master Commercial Paper Note described in the within-mentioned Agreement.

Dated: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION, as  
Issuing and Paying Agent

By \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

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

\_\_\_\_\_  
(Name, address, and Taxpayer Identification Number of Assignee)  
this Master Commercial Paper Note and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_  
attorney to transfer said Master Commercial Paper Note on the books of the Department with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed

\_\_\_\_\_  
Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Commercial Paper Note, in every particular, without alteration or enlargement or any change whatsoever.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Department or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.