

\$[AMOUNT]  
**HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES**  
**Revenue Bonds and Refunding Revenue Bonds**

\$[PAR1]  
**2014 Series A**  
**(AMT)**

\$[PAR2]  
**2014 Series B**  
**(Non-AMT)**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2014

Harbor Department of the City of Los Angeles  
The Port of Los Angeles  
425 South Palos Verdes Street  
San Pedro, California 90731

Ladies and Gentlemen:

The undersigned, Wells Fargo Bank, National Association (the “Representative”), on our own behalf and on behalf of Siebert Brandford Shank & Co., L.L.C., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Cabrera Capital Markets, LLC, RBC Capital Markets, LLC and Stifel, Nicolaus & Company, Incorporated (together with the Representative, the “Underwriters”), offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Harbor Department of the City of Los Angeles (the “Department”) which, upon the Department’s acceptance of this offer, will be binding upon the Department and the Underwriters. The offer made hereby is subject to receipt by the Underwriters of the documents referred to in Paragraph 5 hereof and to acceptance by the Department by execution and delivery of this Purchase Agreement to the Representative at or prior to 5:00 P.M., Los Angeles time, on the date first above written, and if not so accepted will be subject to withdrawal by the Underwriters upon notice delivered to the Department at any time prior to the acceptance hereof by the Department.

The Representative represents and warrants that (i) it has been duly authorized by itself and the other Underwriters to execute this Purchase Agreement and (ii) it has been duly authorized by the Underwriters to act hereunder by and on behalf of itself and the other Underwriters and, as the Representative, to take all actions, and waive any condition or requirement, required or permitted to be taken or waived hereunder by the Representative or the Underwriters. The Underwriters shall not designate any other representative except upon the approval of the Department (which approval shall not be unreasonably withheld).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties, covenants and agreements hereinafter set forth, the Underwriters hereby agree, jointly and severally, to purchase from the Department for offering to the public, and the Department hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of the \$\_\_\_\_\_ Harbor Department of the City of Los Angeles Revenue Bonds and Refunding Revenue Bonds, 2014 Series A (AMT) (the “Series 2014A Bonds”), and \$\_\_\_\_\_ Harbor Department of the City of Los Angeles Revenue Bonds and Refunding Revenue Bonds, 2014 Series B (Non-AMT) (the “Series 2014B Bonds,” and together with the Series 2014A

Bonds, the “Series 2014 Bonds” or the “Bonds”), to be dated their date of delivery. The Series 2014 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Series 2014 Bonds shall mature on August 1 in each of the years and in the amounts set forth in Appendix A hereto. The Series 2014 Bonds shall bear interest on each February 1 and August 1 of each year commencing February 1, 2015 and be subject to redemption as provided in the Official Statement hereinafter mentioned. The aggregate purchase price for the Series 2014 Bonds shall be \$\_\_\_\_\_ (representing the aggregate principal amount of the Series 2014 Bonds, plus net original issue premium of \$\_\_\_\_\_, and less an Underwriters’ discount of \$\_\_\_\_\_.

2. The Series 2014 Bonds. The Series 2014 Bonds shall be issued under and pursuant to Section 609 of the Charter of the City, relevant ordinances of the City, and Section 11.28.1 et seq. of the Los Angeles Administrative Code (collectively, the “Charter”); and Resolution No. 14-[\_\_\_\_\_] (the “Resolution”) adopted by the Board of Harbor Commissioners of the City of Los Angeles (the “Board”) on [\_\_\_\_\_], 2014, approved by the City Council of the City (the “City Council”) on [\_\_\_\_\_], 2014 and approved by the Mayor of the City (the “Mayor”) on [\_\_\_\_\_], 2014. The Series 2014 Bonds also are being issued pursuant to an Indenture of Trust, to be dated as of [August] 1, 2014 (the “Indenture”), by and between the Department and U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms in this Purchase Agreement that are not otherwise defined herein shall have the meanings given to such terms in the Official Statement (as hereinafter defined).

3. Purpose of Bonds. The Department will use proceeds of the Series 2014 Bonds, together with other funds of the Department which may be required therefor, to (a) finance certain Projects, (b) current refund and defease the Refunded Bonds to generate debt service savings for the Department, (c) refund certain outstanding commercial paper notes; [(d) fund a debt service reserve fund;] and (e) pay the costs of issuance of the Series 2014 Bonds.

A portion of the proceeds of the Series 2014A Bonds, [together with certain available moneys to be contributed by the Department], will be deposited with U.S. Bank National Association, as trustee and escrow agent, and will be held in an escrow fund for the Refunded Bonds (the “Escrow Fund”) to be created under the terms of an escrow agreement, dated as of \_\_\_\_ \_\_, 2014 (the “Escrow Agreement”) between the Department and U.S. Bank National Association, as trustee and escrow agent.

4. Offering. It shall be a condition to the Department’s obligations to sell and to deliver the Series 2014 Bonds to the Underwriters and to the Underwriters’ obligations to purchase, to accept delivery of and to pay for the Series 2014 Bonds that the entire aggregate principal amount of the Series 2014 Bonds referred to in Paragraph 1 shall be issued, sold and delivered by the Department and purchased, accepted and paid for by the Underwriters at the Closing (as defined herein). The Underwriters agree to make a bona fide public offering of all the Series 2014 Bonds, at prices not in excess of the initial public offering prices or yields for the respective series of Bonds as set forth in the Official Statement; provided that the Series 2014 Bonds may be offered and sold to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriters, at prices lower than such public offering prices and may effect transactions that stabilize or maintain the market price of the Series 2014 Bonds. The Department hereby authorizes the use by the Underwriters of the Resolution, the Indenture, the Continuing Disclosure Certificate (as defined herein) and the

Official Statement, and any supplements or amendments thereto, and the information contained in each of such documents, in connection with the public offering and sale of the Series 2014 Bonds.

5. Official Statement. Upon the Department's acceptance of this offer, it shall be deemed to have ratified, approved and confirmed the Preliminary Official Statement of the Department with respect to the Series 2014 Bonds, dated \_\_\_\_\_, 2014 (the "Preliminary Official Statement"). The Department hereby agrees to deliver or cause to be delivered to the Underwriters, no later than the earlier of (i) seven (7) business days after the date hereof or (ii) one (1) business day prior to the Closing Date, in order to permit the Underwriters to comply with Rule 15c2-12 of the Securities and Exchange Commission ("SEC"), and the applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"), with respect to distribution of the Official Statement, conformed copies of the final Official Statement (in word-searchable PDF format), dated the date hereof (including all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements to such Official Statement as have been approved by the Department and the Representative). The Official Statement shall be substantially in the form of the Preliminary Official Statement, with only such changes as are necessary to reflect the principal amount, interest rates, maturity dates, and redemption provisions relating to the Series 2014 Bonds (said document, including its cover page, inside front cover page and Appendices, as the same may be amended and supplemented in accordance with this Purchase Agreement and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Official Statement").

6. Representations, Warranties and Agreements of the Department. The Department represents and warrants to and agrees with the Underwriters that, as of the date hereof and as of the date of the Closing:

(a) the Department is a proprietary department of the City of Los Angeles duly organized and validly existing under the Charter and the laws of the State of California;

(b) the Department has full legal right, power and authority to enter into this Purchase Agreement, to adopt the Resolution, and to enter into and observe, perform and consummate the covenants, agreements and transactions contemplated by this Purchase Agreement, the Resolution, the Indenture, the Continuing Disclosure Certificate, the Escrow Agreement and the Official Statement and to issue, sell and deliver the Series 2014 Bonds to the Underwriters as provided herein; and, by all necessary official action, the Board has authorized and approved the Preliminary Official Statement and the Official Statement, has ratified and approved the distribution of the Preliminary Official Statement by the Underwriters to any potential purchasers of the Series 2014 Bonds and has authorized and approved the distribution of the Official Statement by the Underwriters to any purchasers of the Series 2014 Bonds;

(c) by all necessary official action, the Department has duly adopted the Resolution, has duly approved the Preliminary Official Statement and the delivery thereof to the Underwriters, has duly authorized and approved the Official Statement and the delivery thereof to the Underwriters, has duly authorized and approved the execution and delivery of, and the performance by the Department of the obligations in connection with the issuance of the Series 2014 Bonds on its part contained in this Purchase Agreement, the Resolution, the Indenture, the Series 2014 Bonds, the Continuing Disclosure Certificate, the Escrow Agreement and the Official Statement and the consummation by it of all other transactions contemplated by such documents in connection with the

issuance of the Series 2014 Bonds; and the Indenture, the Series 2014 Bonds, the Continuing Disclosure Certificate, the Escrow Agreement and the Official Statement (upon their execution and delivery) and this Purchase Agreement constitute the legal, valid and binding obligations of the Department, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(d) the Department is not in material breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Department is a party or to which the Department or any of its property or assets is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument; and the execution and delivery of this Purchase Agreement, the Indenture, the Series 2014 Bonds, the Continuing Disclosure Certificate, the Escrow Agreement and the Official Statement and the adoption of the Resolution and compliance with the provisions on the Department's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Department is a party or to which the Department or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Department or under the terms of any such law, regulation or instrument, except as provided by the Series 2014 Bonds, the Indenture and this Purchase Agreement;

(e) all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Department of its obligations in connection with the issuance, sale and delivery of the Series 2014 Bonds under this Purchase Agreement and the Indenture have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2014 Bonds; and, except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction in the matter which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Department of its respective obligations under this Purchase Agreement, the Resolution, the Indenture, the Series 2014 Bonds, the Continuing Disclosure Certificate, the Escrow Agreement and the Official Statement have been duly obtained;

(f) the Series 2014 Bonds, if and when issued, will be issued in accordance with the Indenture, and the Series 2014 Bonds and the Indenture will conform in all material respects to the descriptions thereof contained in the Official Statement under the captions "Description of the Series 2014 Bonds," "Security and Sources of Payment for the Series 2014 Bonds," "Plan of Refunding and Finance and Application of Series 2014 Bond Proceeds" and "Tax Matters" in, and "Summary of Certain Provisions of the Indenture" in Appendix D to the Official Statement; and the

Continuing Disclosure Certificate conforms to the summary thereof contained in the Official Statement under the caption “Continuing Disclosure”;

(g) the Series 2014 Bonds, if and when issued, authenticated and delivered in accordance with the Indenture and sold to the Underwriters as provided herein, will be validly issued and outstanding obligations of the Department, entitled to the benefits of the Indenture; and upon such issuance, authentication and delivery the Indenture will provide, for the benefit of the holders from time to time of the Series 2014 Bonds, a legally valid and binding pledge of and lien on the Revenues (as defined in the Indenture) and the funds and accounts pledged under the Indenture, subject only to the provisions of the Indenture permitting the application thereof on the terms and conditions set forth in the Indenture;

(h) as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Department executing this Purchase Agreement, threatened against the Department, affecting the corporate existence of the Department or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the issuance or delivery of the Series 2014 Bonds or the collection of the Revenues of the Department pledged or to be pledged to pay the principal of and interest on the Series 2014 Bonds, or the pledge of and lien on the Revenues, funds and accounts pursuant to the Indenture, or contesting or affecting as to the Department the validity or enforceability of the Act, this Purchase Agreement, the Indenture, the Series 2014 Bonds or the Continuing Disclosure Certificate or contesting the tax-exempt status of interest on the Series 2014 Bonds, or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or contesting the powers of the Department or any authority for the issuance of the Series 2014 Bonds, the adoption of the Resolution, or the execution and delivery by the Department of this Purchase Agreement, the Indenture, the Series 2014 Bonds, the Continuing Disclosure Certificate, the Escrow Agreement and the Official Statement nor, to the best knowledge of the officer of the Department executing this Purchase Agreement, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Act as to the Department, the Los Angeles Administrative Code and other applicable law or the authorization, execution, delivery or performance by the Department of the Series 2014 Bonds, the Resolution, this Purchase Agreement, the Indenture, the Escrow Agreement or the Continuing Disclosure Certificate;

(i) the Preliminary Official Statement was, with the exception of information relating to the final sizing and the pricing and sale of the Series 2014 Bonds, The Depository Trust Company, New York, New York and its book-entry system contained therein, final as of its date pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”);

(j) as of the date thereof and the date hereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for information relating to The Depository Trust Company and information permitted to be omitted pursuant to the Rule);

(k) the Department will undertake, pursuant to the continuing disclosure certificate (the “Continuing Disclosure Certificate”) substantially in the form attached to the Official

Statement as Appendix E, to provide certain annual financial information and to provide notices upon the occurrence of certain enumerated events. [Except as described in the Official Statement,] the Department has never failed to comply with its previous undertakings with regard to the Rule to provide annual reports and notices of certain events;

(l) At the time of the Department's acceptance hereof, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein in light of the circumstances in which they were made, not misleading, and if the Official Statement is supplemented or amended pursuant to subparagraph 6(m) hereof, at the time of each supplement or amendment thereto, the Official Statement, as so supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(m) each party hereto agrees that it will notify the other parties hereto if, within the period from the date of this Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period (as hereinafter defined), such party discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case which might cause the Official Statement (as the same may have been theretofore supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the written opinion of the Department or counsel to the Underwriters, the preparation and publication of a supplement or amendment to the Official Statement is, as a result of such fact or event (or any other event which becomes known to the Department or any Underwriter during such period), necessary so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Department will, at its expense, supplement or amend the Official Statement in such a manner so that the Official Statement, as so supplemented or amended, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and furnish copies of such supplement or amendment to the Underwriters in such numbers as the Representative may reasonably request. The Department, the Underwriters and the Representative agree that they will cooperate in the preparation of any such amendment or supplement. As used herein, the term "End of the Underwriting Period" means the later of such time as (i) the Department delivers the Series 2014 Bonds to the Underwriters, or (ii) the Underwriters do not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Series 2014 Bonds for sale to the public. Unless the Representative gives notice to the contrary, the "End of the Underwriting Period" shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Department at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the End of the Underwriting Period;

(n) when executed, issued, delivered and paid for, as specified herein and in the Indenture, the Series 2014 Bonds will be duly authorized, executed, issued and delivered and will constitute valid and binding obligations of the Department enforceable in accordance with their terms and the terms of the Indenture, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws, judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally and limitations on judicial remedies available against public agencies;

(o) the Department will apply the proceeds from the sale of the Series 2014 Bonds for the purposes specified in the Resolution and the Indenture;

(p) between the date hereof and the Closing, except as contemplated by the Official Statement, the Department will not, without prior written notice to the Underwriters, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, other than in the ordinary course of its business;

(q) the Department will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriters as may be requested to (i) qualify the Series 2014 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Underwriters, and (ii) determine the eligibility of the Series 2014 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2014 Bonds; provided, however, that the Department shall not be required to pay the cost or expense of any such qualification or determination or to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction;

(r) the financial statements of, and other financial information regarding, the Department set forth in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of the operations of the Department as of the dates and for the periods therein set forth, and, to the best of the Department's knowledge, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, and (ii) the other historical financial information has been determined on a basis substantially consistent with that of the Department's audited financial statements included in the Preliminary Official Statement; and, except as disclosed in the Official Statement, there has not been any material adverse change in the financial condition of the Department since June 30, 2013 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such material adverse change;

(s) any certificate signed by any official of the Department and delivered to the Representative or the Underwriters shall be deemed to be a representation and warranty by the Department hereunder to each of the Underwriters as to the statements made therein;

(t) the Net Revenues for a consecutive twelve calendar month period during the eighteen calendar month period preceding the date of adoption by the Board of the Resolution has produced a sum equal to at least one hundred twenty-five percent (125%) of the Debt Service (and any amounts required to be paid to the provider of any Common Reserve Fund Security Device or Reserve Fund Security Device) due and payable during such twelve calendar month period, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Financial Consultant on file with the Department; and

(u) the Department has not defaulted in the payment of principal of or interest on any of its debt obligations ("debt obligations" shall not include any industrial development bonds or private activity bonds the Department has issued on behalf of any other person and as to which the Department has no direct or indirect financial responsibility).

7. Closing. At 8:00 a.m., Los Angeles time, on August \_\_, 2014, or at such other date and time as shall have been mutually agreed upon by the Department and the Representative, the Department will deliver or cause to be delivered to The Depository Trust Company (“DTC”) as described below, the Series 2014 Bonds in definitive form duly executed by the Department and authenticated by the Trustee, together with the other documents hereinafter mentioned; and the Underwriters will accept such delivery to DTC and pay the purchase price of the Series 2014 Bonds of each series as set forth in Paragraph 1 hereof in federal or other immediately available funds, in an aggregate amount equal to such aggregate purchase price as set forth in Paragraph 1. Payment for the delivery of the Series 2014 Bonds as aforesaid shall be made at the offices of Nixon Peabody LLP, Los Angeles, California, or at such other place as shall have been mutually agreed upon by the Department and the Representative. Such payment and delivery is herein called the “Closing.” The Underwriters shall order a CUSIP identification number and the Department shall cause such CUSIP identification number to be printed on the Series 2014 Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Series 2014 Bonds in accordance with the terms of this Purchase Agreement. The Series 2014 Bonds shall be prepared and delivered at least one business day prior to the date of the Closing to the offices of, or otherwise at the direction of, DTC in the form of one certificate for each series and maturity, fully registered in the name of Cede & Co., as nominee of DTC.

8. Closing Conditions. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the Department contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing, and upon the performance by the Department of its respective obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters’ obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Series 2014 Bonds shall be conditioned upon the performance by the Department of its obligations to be performed hereunder and the delivery of the documents and instruments required to be delivered hereby at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) the representations and warranties of the Department contained or incorporated herein shall be true, complete and correct in all material respects at the date hereof and on and as of the date of the Closing as if made on the date of Closing;

(b) at the time of the Closing, (i) the Resolution and the Indenture shall be in full force and effect and shall not have been amended, modified or supplemented after the date thereof except as shall have been agreed to in writing by the Representative; and (ii) the Department shall have performed its obligations required under or specified in this Purchase Agreement, the Resolution, the Escrow Agreement and the Indenture to be performed at or prior to the Closing;

(c) at the time of the Closing, all official actions of the Department relating to this Purchase Agreement, the Indenture, the Series 2014 Bonds, the Continuing Disclosure Certificate, the Escrow Agreement and the Official Statement shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect from the date hereof except as may have been agreed to in writing by the Representative;

(d) At the time of the Closing, the Official Statement (as amended and supplemented) will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(e) at or prior to the Closing, the Underwriters shall receive the following documents, in each case reasonably satisfactory in form and substance to the Representative and to Underwriters' counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation:

(i) the Official Statement and each supplement or amendment thereto, if any, executed on behalf of the Department by the Department's Executive Director, Chief Financial Officer or Treasurer;

(ii) certified copies of the resolution relating to the Series 2014 Bonds adopted on \_\_\_\_\_, 2014, certified by the Secretary of the Board as having been duly adopted by the Department and as being in effect, with such supplements or amendments as may have been agreed to by the Representative, together with a certificate of an Authorized Officer stating that the Resolution is in effect in the form existing on the date hereof and has not been amended except as shall have been agreed to by the Representative;

(iii) an executed copy of the Indenture;

(iv) the approving legal opinion of Nixon Peabody LLP, Bond Counsel, dated the date of Closing and addressed to the Department in substantially the form set forth in Appendix E to the Official Statement, together with a letter of such counsel, dated the date of the Closing and addressed to the Underwriters, to the effect that the foregoing letter addressed to the Department may be relied upon by the Underwriters to the same extent as if such letter were addressed to them;

(v) a supplemental opinion of Bond Counsel with respect to the Bonds, dated the date of the Closing and addressed to the Underwriters, to the effect that:

(A) this Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by, and constitute legal, valid and binding agreements of, the Department in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to creditors' rights generally;

(B) the Series 2014 Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(C) the statements contained in the Official Statement under the captions "Description of the Series 2014 Bonds," "Security and Sources of Payment for the Series 2014 Bonds", and "Tax Matters" and in "Summary of Certain Provisions of the Indenture" in Appendix C and in Appendix E - "Form of Bond Counsel Opinion" to the Official Statement insofar as the statements contained under such captions purport to summarize certain

provisions of the Series 2014 Bonds, this Purchase Agreement, the Resolution, the Indenture and said firm's final legal opinion concerning certain tax matters relating to the Series 2014 Bonds, are accurate in all material respects; and

(D) [defeasance opinion relating to the Refunded]

(vi) an opinion, dated the date of Closing and addressed to the Underwriters, of the Los Angeles City Attorney, as general counsel to the Department, to the effect that:

(A) the Department is a proprietary department of the City of Los Angeles duly organized and validly existing under 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 (the "Charter") and the laws of the State of California, and has full legal right, power and authority to execute and deliver, and to perform its obligations under, this Purchase Agreement, the Resolution, the Indenture, the Series 2014 Bonds, the Continuing Disclosure Certificate, the Escrow Agreement and the Official Statement;

(B) the resolution of the Board adopted on \_\_\_\_\_, 2014 was duly adopted at a meeting of the Board which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;

(C) the Department has full legal right, power and authority (A) to enter into this Purchase Agreement, the Indenture, the Series 2014 Bonds, the Escrow Agreement and the Continuing Disclosure Certificate, (B) to adopt the Resolution, (C) to issue, sell and deliver the Series 2014 Bonds to the Underwriters as provided herein, (D) to authorize the distribution of the Preliminary Official Statement and the execution and distribution the Official Statement, and (E) to carry out and consummate all other commercial transactions contemplated by this Purchase Agreement, the Indenture, the Series 2014 Bonds, the Escrow Agreement and the Continuing Disclosure Certificate;

(D) by official action of the Department prior to or concurrently with the acceptance hereof, the Department (A) has duly authorized and approved the execution and delivery and adoption of, and the performance by the Department of its obligations contained in, this Purchase Agreement, the Indenture, the Series 2014 Bonds and the Continuing Disclosure Certificate, (B) has duly authorized the execution of the Official Statement and has duly ratified and authorized the distribution by the Underwriters of the Preliminary Official Statement and the Official Statement to potential purchasers of the Series 2014 Bonds, and (C) has duly authorized and approved the consummation by the Department of all transactions contemplated by this Purchase Agreement, the Indenture, the Series 2014 Bonds, the Escrow Agreement and the Continuing Disclosure Certificate;

(E) this Purchase Agreement, the Resolution, the Indenture, the Series 2014 Bonds, the Continuing Disclosure Certificate, the Escrow Agreement and the Official Statement have been duly authorized, executed and delivered by the Department, and, the Purchase Agreement constitutes, and, upon due execution and delivery, the Indenture, the Series 2014 Bonds, the Escrow Agreement and the Continuing Disclosure Certificate will constitute, the legal, valid and binding obligations of the Department, enforceable against the Department in accordance with their respective terms.

(F) to the best of the City Attorney's knowledge after reasonable inquiry, the Department has complied with, and is not in material breach of or material default under, the Act, this Purchase Agreement, the Indenture, the Series 2014 Bonds, the Escrow Agreement or the Continuing Disclosure Certificate or any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, note, bond, resolution, indenture, agreement or other instrument known to the City Attorney after reasonable inquiry to which the Department is, or will on or after the date of Closing be, a party or to which the Department or any of its property or assets otherwise is or will be subject, and, to the best of the City Attorney's knowledge after reasonable inquiry, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material breach of or material default or event of default under any such instrument; and the execution, delivery and adoption by the Department of this Purchase Agreement, the Resolution, the Indenture, the Series 2014 Bonds, the Continuing Disclosure Certificate, the Escrow Agreement and the Official Statement, and the issuance, sale and delivery of the Series 2014 Bonds, and compliance by the Department with the respective provisions contained in this Purchase Agreement, the Resolution, the Indenture, the Series 2014 Bonds, the Escrow Agreement and the Continuing Disclosure Certificate, does not and will not conflict with or constitute a material breach of or material default or event of default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, note, bond, resolution, indenture, agreement or other instrument known to the City Attorney after reasonable inquiry to which the Department is a party or to which the Department or any of its property or assets otherwise is or will be subject; nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or security interest or encumbrance of any nature whatsoever upon any of the revenues, property or assets of the Department or under the terms of any such law, regulation or instrument, except as expressly provided by the Series 2014 Bonds and the Resolution and the Indenture;

(G) to the best knowledge of the City Attorney after reasonable inquiry, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened against the Department affecting the existence of the Department or the titles of its officers to their respective offices or affecting

or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Series 2014 Bonds or the collection of Revenues or assets of the Department pledged or to be pledged to pay the principal of and interest on the Series 2014 Bonds or the pledge of and lien on the Revenues, funds or accounts pursuant to the Indenture, or contesting or affecting the validity or enforceability of the Act as to the Department, this Purchase Agreement, the Resolution, the Indenture, the Series 2014 Bonds, the Escrow Agreement or the Continuing Disclosure Certificate, or contesting the tax-exempt status of interest on the Series 2014 Bonds or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or contesting the powers of the Department or any authority for the issuance of the Series 2014 Bonds, the adoption of the Resolution, or the execution and delivery by the Department of this Purchase Agreement, the Resolution, the Indenture, the Series 2014 Bonds, the Continuing Disclosure Certificate, the Escrow Agreement or the Official Statement or the consummation of the transactions contemplated thereby nor, to the best knowledge of the City Attorney, is there any basis for any such action, suit, proceeding, inquiry or investigation wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Act as to the Department or the authorization, execution, delivery or performance by the Department of this Purchase Agreement, the Resolution, the Indenture, the Series 2014 Bonds, the Continuing Disclosure Certificate, the Escrow Agreement or the Official Statement; and

(H) based upon the City Attorney's participation in the preparation of the Official Statement as counsel to the Department and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, as of the date hereof, nothing has come to our attention which causes us to believe that (A) the Official Statement, as of its date, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for the statements contained in the Official Statement and the Appendices thereto relating to the book-entry-only system, The Depository Trust Company, the discussions contained therein relating to permits, licenses and approvals required for the construction and operation of the facilities or projects of the Department and the status thereof, all engineering, financial and statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, as to all of which the City Attorney need express no view or opinion) or (B) the Official Statement as of the date hereof contains any untrue statement of material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except as aforesaid);

(vii) the opinion of Kutak Rock LLP, as disclosure counsel to the Department, addressed to the Department and the Underwriters, dated the Closing Date, to the effect that based upon the participation of the attorneys involved in the preparation of the Official Statement and without having undertaken to determine independently the accuracy

and completeness of the statements contained in the Official Statement, nothing has come to the attention of such counsel which would lead them to believe that the Official Statement (except for information under the caption "TAX Matters" and in Appendices A, B, C, E and F, any financial, statistical, economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions, expressions of opinion, discussions contained therein relating to permits, licenses and approvals required for the construction and operation of the facilities or projects of the Department and the status thereof, all engineering, financial and statistical data or forecasts, information about environmental matters and summaries thereof and references thereto, the Appendices thereto, information relating to The Depository Trust Company, New York, New York and its book-entry system contained therein and incorporated therein by reference, as to which no view need be expressed) as of its date contained, or that the Official Statement as the same may have been amended or supplemented to the date of the Closing (except as aforesaid) as of the date of the Closing contains, any untrue statement of a material fact or that the Official Statement omitted as of its date, or that the Official Statement as so amended or supplemented omits as of the date of the Closing, to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were or are made, not misleading;

(viii) an opinion of Stradling Yocca, Carlson & Rauth, a Professional Corporation, Underwriters' Counsel, dated the Closing Date, addressed to the Underwriters, in form and substance satisfactory to the Underwriters

(ix) a certificate of an Authorized Officer of the Department, dated the date of the Closing and signed by such Authorized Officer to the effect that:

(A) the representations and warranties of the Department contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement;

(B) except as may be stated to the contrary in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best of his/her knowledge, threatened against the Department, affecting the existence of the Department or the titles of its officers to their respective offices or affecting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Series 2014 Bonds or the collection of Revenues pledged to pay the principal of, premium, if any, and interest on the Series 2014 Bonds, or the pledge of and lien on the Revenues and funds and accounts pursuant to the Indenture, or in any way contesting or affecting the validity or enforceability of the Act as to the Department, the Series 2014 Bonds, the Resolution, the Indenture, the Continuing Disclosure Certificate, the Escrow Agreement or this Purchase Agreement, or contesting in any way the tax exempt status of the Bonds or the completeness or accuracy of the Preliminary Official Statement or the Official Statement as the same may be supplemented or amended; or contesting the powers of the Department or any authority for the issuance of the Series 2014 Bonds, the

adoption of the Resolution or the authorization, execution and delivery of this Purchase Agreement, the Indenture, the Series 2014 Bonds, the Continuing Disclosure Certificate or the Official Statement except as set forth in the Official Statement, nor, to the best of his/her knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Act as to the Department, or the authorization, execution, delivery or performance by the Department of the Series 2014 Bonds, the Resolution, the Indenture, the Continuing Disclosure Certificate or this Purchase Agreement; and

(C) to the best of his or her knowledge, no event affecting the Department has occurred since the date of the Official Statement which should be disclosed in the Official Statement, as the same may be supplemented or amended, in order that the Official Statement not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(x) a certificate of the Trustee, dated the Closing Date, to the effect that:

(A) the Trustee is duly organized and existing as a national banking association organized and existing under the laws of the United States of America, having the full power and authority to enter into and perform its duties under the Indenture and the Continuing Disclosure Certificate and to authenticate the Series 2014 Bonds;

(B) the Trustee is duly authorized to enter into the Indenture and the Continuing Disclosure Certificate, and, when the Indenture is duly authorized, executed and delivered by the other respective parties thereto, to authenticate and deliver the Series 2014 Bonds to the Underwriters pursuant to the terms of the Indenture;

(C) the execution and delivery by the Trustee of the Indenture, and compliance with the terms thereof, will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or, to its best knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty or agreement is made by the Trustee with respect to any federal or state securities or blue sky laws or regulations);

(D) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best of the knowledge of the Trustee, threatened against or affecting the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Series 2014 Bonds or the Indenture, or contesting the powers of the Trustee or its authority to enter into and perform its obligations under any of

the foregoing, or wherein an unfavorable decision, ruling or finding would adversely affect the Trustee or the transactions contemplated in connection with the issuance and sale of the Series 2014 Bonds, or which, in any way, would adversely affect the validity of the Series 2014 Bonds or the Indenture or any agreement or instrument to which the Trustee is a party and which is used or contemplated for use in the Indenture, or the consummation of the transactions contemplated in connection with the issuance and sale of the Series 2014 Bonds; and

(E) subject to the provisions of the Indenture, the Trustee will apply the proceeds from the Series 2014 Bonds to the purposes specified in the Indenture;

(xi) the opinion of counsel to the Trustee, dated the date of Closing, addressed to the Department and the Underwriters to the effect that:

(A) the Trustee is a national banking association organized and existing under the laws of the United States of America, having full power and being qualified to enter, accept and administer the trust created under the Indenture and to authenticate and deliver the Series 2014 Bonds;

(B) the Series 2014 Bonds have been duly authenticated by the Trustee in accordance with the Indenture, and the Indenture and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery thereof by the other respective parties thereto, constitute the legal, valid and binding obligations of the Trustee enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought; and

(C) no authorization, approval, consent or order of any governmental agency or any other person is required for the valid authorization, execution and delivery of the Indenture or the Continuing Disclosure Certificate by the Escrow Agent or the authentication of the Series 2014 Bonds by the Escrow Agent;

(xii) a certificate of the Escrow Agent, dated the Closing Date, to the effect that:

(A) the Escrow Agent is duly organized and existing as a national banking association organized and existing under the laws of the United States of America, having the full power and authority to enter into and perform its duties under the Escrow Agreement;

(B) the Escrow Agent is duly authorized to enter into the Escrow Agreement;

(C) the execution and delivery by the Escrow Agent of the Escrow Agreement, and compliance with the terms thereof, will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Escrow Agent is a party or by which it is bound, or, to its best knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Escrow Agent or any of its activities or properties (except that no representation, warranty or agreement is made by the Escrow Agent with respect to any federal or state securities or blue sky laws or regulations); and

(D) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best of the knowledge of the Escrow Agent, threatened against or affecting the existence of the Escrow Agent or in any way contesting or affecting the validity or enforceability of the Escrow Agreement, or contesting the powers of the Escrow Agent or its authority to enter into and perform its obligations under the Escrow Agreement, or wherein an unfavorable decision, ruling or finding would adversely affect the Escrow Agent or the transactions contemplated in connection with the Escrow Agreement, or which, in any way, would adversely affect the validity of the Escrow Agreement.

(xiii) the opinion of counsel to the Escrow Agent, dated the date of Closing, addressed to the Department and the Underwriters to the effect that:

(A) the Escrow Agent is a national banking association organized and existing under the laws of the United States of America, having full power and being qualified to enter, accept and administer the trust created under the Escrow Agreement;

(B) the Escrow Agreement has been duly authorized, executed and delivered by the Escrow Agent and, assuming due authorization, execution and delivery thereof by the other respective parties thereto, constitutes the legal, valid and binding obligations of the Escrow Agent enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought; and

(C) no authorization, approval, consent or order of any governmental agency or any other person is required for the valid authorization, execution and delivery of the Escrow Agreement;

(xiv) a report of an Independent Certified Public Accountant or Independent Financial Consultant to the effect that the Net Revenues for a consecutive twelve calendar month period during the eighteen calendar month period preceding the date of adoption by the Board of the Resolution produced a sum equal to at least one hundred twenty-five percent (125%) of the Debt Service (and any amounts required to be paid to the

provider of any Common Reserve Fund Security Device or Reserve Fund Security Device) due and payable during such twelve calendar month period;

(xv) an executed copy of the Continuing Disclosure Certificate of the Department, in substantially the form attached to the Preliminary Official Statement

(xvi) an executed copy of the Escrow Agreement;

(xvii) evidence satisfactory to the Representative (i) that the Department's long-term senior lien indebtedness has been rated at least “\_\_\_” by Standard & Poor's Ratings Group (“S&P”), at least “\_\_\_” by Moody's Investors Service (“Moody's”) and at least “\_\_\_” by Fitch Ratings and (ii) that such ratings remain in effect and have not been suspended, withdrawn or downgraded as of the date of the Closing;

(xviii) a Verification Report relating to the Refunded Bonds issued by \_\_\_\_\_;

(xix) the Letter of Representations or evidence of other appropriate arrangements with DTC; and

(xx) such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Department's representations and warranties contained herein and of the statements and information contained in the Official Statement, as the same may be supplemented or amended, and the due performance and satisfaction by the Department at or prior to the date of the Closing of all agreements then to be performed and all conditions then to be satisfied by the Department and to evidence the exclusion from gross income for federal income tax purposes of the interest of the Series 2014 Bonds.

9. Termination. The Underwriters may terminate this Purchase Agreement, without liability therefor, by notification to the Department if at any time subsequent to the date of this Purchase Agreement and at or prior to the Closing:

(a) there shall occur any change or any development involving a prospective change, in or affecting the business, properties or financial condition of the Department which, in the reasonable opinion of the Representative, materially impairs the investment quality, the marketability or the market price of the Series 2014 Bonds;

(b) legislation shall have been enacted by the Congress of the United States, or introduced by amendment or otherwise in or passed by either House of the Congress, or recommended or endorsed to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress of the United States by any committee of such House to which such legislation has been referred for consideration, or recommended or endorsed for passage or presented for consideration by any member of any such committee or by the Treasury Department of the United States, the Internal Revenue Service, or the staff of the Joint Committee on Taxation of the Congress, or a decision shall have been rendered by a court of the United States, or the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement shall have been made by or on behalf of the Treasury Department of

the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, with respect to federal taxation of interest received on securities of the general character of the Series 2014 Bonds or which would have the effect of changing, directly or indirectly, the federal tax consequences of receipt of interest on securities of the general character of the Series 2014 Bonds in the hands of the owners thereof, which in the reasonable opinion of the Representative would materially adversely affect the market price of the Series 2014 Bonds or the ability to enforce contracts for the sale of the Series 2014 Bonds;

(c) there shall have occurred a declaration of war by the United States, any new outbreak of hostilities or any escalation in existing hostilities, or any other national or international calamity or crisis or an actual or imminent default or moratorium in respect of payment of any United States Treasury bills, bonds or notes, the effect of which, in the reasonable opinion of the Representative, would materially and adversely affect the ability of the Underwriters to market the Series 2014 Bonds or to enforce contracts for the sale of the Series 2014 Bonds;

(d) there shall have occurred the declaration of a general banking moratorium by any authority of the United States or the State of New York or the State of California;

(e) there shall be in force a general suspension of trading or other material restrictions not in force as of the date hereof on the New York Stock Exchange or other national securities exchange;

(f) any rating of bonds, notes or other obligations of the Department (including, without limitation, the Series 2014 Bonds) shall have been downgraded, suspended or withdrawn, or the possibility of such a downgrading, suspension or withdrawal shall have been publicly announced, or shall have been placed on “credit watch” or assigned a negative outlook or similar action and such action by Moody’s, S&P or Fitch or, in the reasonable opinion of the Representative, will materially adversely affect the marketability or the market price of the Series 2014 Bonds;

(g) an event, fact or condition described in subparagraph 6(m) hereof shall have occurred or become known which, in the reasonable opinion of the Representative, would materially and adversely affect the ability of the Underwriters to market the Series 2014 Bonds or to enforce contracts for the sale of the Series 2014 Bonds and requires the preparation and publication of a supplement or amendment to the form of the Official Statement;

(h) any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, board, department or agency of the State of California or the United States, or a decision by any court of competent jurisdiction within the State of California or any court of the United States shall be rendered, affecting the Department, which, in the reasonable opinion of the Representative, will materially adversely affect the marketability or the market price of the Series 2014 Bonds or the ability to enforce contracts for the sale of the Series 2014 Bonds; or

(i) legislation shall be enacted, or a decision of a court of the United States shall be rendered or any action shall be taken by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction in the subject matter which, in the opinion of Counsel to the Underwriters, has the effect of requiring the contemplated distribution of the Series 2014 Bonds to be registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the Indenture to be qualified under the Trust Indenture Act of 1939, as amended or that would make the reoffering and sale of the Series 2014 Bonds illegal.

10. Expenses. (a) The Underwriters shall be under no obligation to pay and the Department shall pay or cause to be paid the expenses incident to the performance of its obligations hereunder including but not limited to (i) the cost of preparation, printing and delivery of the Indenture; (ii) the costs of preparation, printing and delivery of the Preliminary Official Statement and of preparation, printing and delivery of the Official Statement and any supplements and amendments to either of such Official Statement; (iii) the cost of preparation and printing of the Series 2014 Bonds; (iv) the fees and disbursements of Bond Counsel, Disclosure Counsel and the Los Angeles City Attorney, as general counsel to the Department; (v) the fees and disbursements of Montague DeRose and Associates, LLC for its services as financial advisor to the Department; (vi) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Department; (vii) the fees, if any, for bond ratings; (viii) the fees and disbursements of independent certified public accountants and any other independent auditor of the Department; and (x) the cost of delivering the purchase price for the Series 2014 Bonds in Federal Funds.

(b) The Underwriters shall pay only: (i) the cost of the printing of the Agreement Among Underwriters and the Blue Sky Survey; (ii) all advertising expenses and Blue Sky filing fees in connection with the public offering of the Series 2014 Bonds; (iii) the fees and disbursements of Stradling Yocca Carlson & Rauth, a Professional Corporation, as counsel to the Underwriters; and (iv) all other expenses incurred by the Underwriters in connection with the public offering of the Series 2014 Bonds, including the fees and disbursements of any other counsel retained by them.

(c) Notwithstanding the foregoing, if the Underwriters or the Department shall bring an action to enforce any part of this Purchase Agreement against the other, the unsuccessful party in such action shall owe to the successful party in such action, in addition to all other amounts or obligations which shall be held to be due and owing, the successful party's reasonable attorney's fees and costs, and other fees, costs and expenses, incurred in connection with such action.

11. Representations of Underwriters. The Underwriters represent and warrant to and agree with the Department that they are authorized to take any action under this Purchase Agreement required to be taken by them and that this Purchase Agreement is a binding contract of the Underwriters enforceable in accordance with its terms.

The Standard Provisions for City Personal Services Contracts ("PSC") applicable to this transaction are specifically enumerated in Appendix B hereto are hereby incorporated herein by reference as though fully set forth herein.

12. Notices. Any notice or other communication to be given to the Department under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing to Harbor Department of The City of Los Angeles, The Port of Los Angeles, 425 South Palos Verdes Street, San Pedro, California 90731; Attention: Chief Financial Officer, and any notice or other communication to be given to the Underwriters under this Purchase Agreement may be given by delivering the same in writing to the Representative (in care of) Wells Fargo Bank, National Association, 375 Park Avenue, 6th Floor - MAC J0127-060 New York, NY 10152.

13. Relationship of Parties. The Authority and the District acknowledge and agree that: (i) the transactions contemplated by this Purchase Agreement are arm's length, commercial

transactions between the Authority and the District and the Underwriters in which each of the Underwriters are acting solely as a principal and are not acting as a municipal advisor, financial advisor or fiduciary to the Authority and the District; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Authority or the District with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters or their affiliates have provided other services or are currently providing other services to the Authority or the District on other matters); (iii) the only obligations the Underwriters have to the Authority and the District with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) the Authority and the District have consulted their own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent they have deemed appropriate. The primary role of the Underwriters, as underwriters, is to purchase the Series 2014 Bonds, for resale to investors, in an arm's-length commercial transaction between the Authority and the District and the Underwriters, as underwriters, have financial and other interests that differ from those of the Authority and the District.

14. Governing Law. The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State of California.

15. Parties in Interest. This Purchase Agreement when accepted by the Department in writing as heretofore specified shall constitute the entire agreement between the Department and the Underwriters and is made solely for the benefit of the Department and the Underwriters and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Department's representations, warranties and agreements contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Series 2014 Bonds pursuant to this Purchase Agreement; and (iii) any termination of this Purchase Agreement.

16. Headings. The headings of the paragraphs of this Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

17. Effectiveness. This Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Designated Department Representative and shall be valid and enforceable at the time of such acceptance.

[Remainder of Page Intentionally Left Blank]

18. Counterparts. This Purchase Agreement may be executed in several counterparts, which together shall constitute one and the same instrument.

Very truly yours,

WELLS FARGO BANK, NATIONAL  
ASSOCIATION  
SIEBERT BRANDFORD SHANK & CO., L.L.C.  
MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED  
CABRERA CAPITAL MARKETS, LLC  
RBC CAPITAL MARKETS, LLC  
STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By: WELLS FARGO BANK, NATIONAL  
ASSOCIATION.  
Representative of the Underwriters,  
including themselves

By: \_\_\_\_\_  
Managing Director

ACCEPTED:

This \_\_th day of \_\_\_\_\_, 2014

THE CITY OF LOS ANGELES, BY ITS  
BOARD OF HARBOR COMMISSIONERS

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

Attest:

By: \_\_\_\_\_  
Secretary of the Board of  
Harbor Commissioners

APPROVED AS TO FORM AND LEGALITY:

LOS ANGELES CITY ATTORNEY

By: \_\_\_\_\_  
Deputy/Assistant City Attorney

**APPENDIX A**

**Maturity Schedule**

\$ \_\_\_\_\_  
**Harbor Department of the City of Los Angeles**  
**Revenue Bonds and Refunding Revenue Bonds**  
**2014 Series A**  
**(AMT)**

<b>Maturity Date (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>
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\$ \_\_\_\_\_<sup>\*</sup>  
**Harbor Department of the City of Los Angeles**  
**Revenue Bonds and Refunding Revenue Bonds**  
**2014 Series B**  
**(Non-AMT)**

<b>Maturity Date (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>
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\*Priced to par call on August 1, 20\_\_

**Redemption Provisions**

**Optional Redemption.** The Series 2014A Bonds maturing on or before August 1, 20[\_\_\_] are not subject to optional redemption prior to maturity. The Series 2014A Bonds maturing on or after August 1, 20[\_\_\_], are subject to redemption at the option of the Department prior to their stated maturity, as a whole, or in part in integral multiples of \$5,000, on any date on or after August 1, 20[\_\_\_], at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest thereon to the redemption date, without premium.

The Series 2014B Bonds maturing on or before August 1, 20[\_\_\_] are not subject to optional redemption prior to maturity. The Series 2014B Bonds maturing on or after August 1, 20[\_\_\_], are subject to redemption at the option of the Department prior to their stated maturity, as a whole, or in part in integral multiples of \$5,000, on any date on or after August 1, 20[\_\_\_], at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest thereon to the redemption date, without premium.

**Mandatory Sinking Fund Redemption.** The Series 2014A Bonds maturing on August 1, 20[\_\_\_] are subject to mandatory sinking fund redemption or purchase in lieu thereof in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on August 1 of the following years an in the following principal amounts:

<b>Redemption Date (August 1)</b>	<b>Principal Amount</b>
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<sup>1</sup> Final Maturity.

The Series 2014B Bonds maturing on August 1, 20[\_\_\_] are subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on August 1 of the following years an in the following principal amounts:

<b>Redemption Date (August 1)</b>	<b>Principal Amount</b>
---	-----------------------------

<sup>1</sup> Final Maturity.

APPENDIX B

[UPDATE] The Underwriters agree to comply with the City of Los Angeles (the “City”) requirements listed below:

[ADD CURRENT CITY APPENDIX]