

April 5, 2022

R-33

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution approving the issuance and/or incurrence, from time to time, by the Board of Harbor Commissioners, on behalf of the City of Long Beach, of Subordinate Harbor Revenue Revolving Obligations secured by Subordinate Harbor Department Revenues, in a principal amount not to exceed \$250,000,000 outstanding at any one time, to finance and refinance certain capital improvements and otherwise to be used as permitted by applicable law. (Districts 1 and 7)

DISCUSSION

The Board of Harbor Commissioners (Board), acting on behalf of the City of Long Beach (City), proposes to renew the Harbor Department's short-term borrowing program and increase the borrowing limit under the program from a not-to-exceed aggregate principal amount outstanding of \$200,000,000, to a not-to-exceed aggregate principal amount outstanding of \$250,000,000. The Harbor Department originally established the short-term borrowing program in 2013. The Harbor Department will continue to utilize the short-term borrowing program for the purposes of financing and refinancing certain capital improvements at the Port of Long Beach (Port) and certain other purposes of the Harbor Department as permitted by applicable law.

MUFG Union Bank, N.A. (Union Bank) currently provides the Harbor Department with a \$200 million line of credit, in the form of City of Long Beach, California Subordinate Harbor Revenue Revolving Obligations, Series B (Tax-Exempt) and Series C (Taxable) (Series B/C Obligations). The short-term borrowing program was established to allow the Harbor Department to quickly access funds on an interim/short-term basis to pay for capital projects. The short-term borrowing program was originally approved by the Board on July 15, 2013, and reapproved by the Board on June 30, 2016 and April 22, 2019. It is scheduled to expire on May 13, 2022.

The Harbor Department has an approximately \$2.28 billion capital plan through fiscal year 2032; however, capital activities are expected to increase with borrowings spanning several years. The short-term borrowing program allows the Harbor Department to periodically borrow on a low cost, short-term basis until sufficient size is accumulated to efficiently convert the borrowings to permanent long-term debt. The benefits of such a strategy are to delay the incurrence of higher cost, fixed rate debt service and avoid substantial amounts of idle cash invested at low rates.

The Harbor Department staff finds it prudent to maintain the revolving line of credit because (1) variable-rate debt lowers the overall cost of borrowing due to variable interest rates typically being lower than long-term interest rates; (2) the revolving line of credit offers the flexibility of short-term borrowing and paying off debt as the needs fluctuate; and (3) the revolving line of credit can be converted to long-term debt if the financing is needed for an extended period of time.

The Harbor Department staff has determined that it is in the best interest of the Harbor Department to increase the borrowing limit under the line of credit to \$250 million. The \$50 million increase will provide additional flexibility in bridging the Harbor Department's short-term financing needs.

The approaching May 2022 expiration of the revolving line of credit created the opportunity to negotiate with the Bank to extend the term, increase the borrowing limit to \$250 million, and lower the cost of utilizing the financing vehicle. The written offer from Union Bank included a commitment fee reduction of 5 basis points (0.05 percent) per year, a tax-exempt interest rate reduction of 12.5 basis points (0.125 percent) per year, and a taxable interest rate reduction of 36 basis points (0.36 percent) per year.

Under the current line of credit, the tax-exempt and taxable interest rates paid by the Harbor Department are based on a percentage of the one-month London Interbank Offered Rate (LIBOR). With the end of the publication of LIBOR in the near future, the tax-exempt and taxable interest rates to be paid by the Harbor Department for borrowings under the amended Union Bank Line of Credit will be based on a percentage of the Secured Overnight Financing Rate (SOFR), plus an adjustment of 0.11448 percent (the current basis point spread adjustment determined by the Alternative Reference Rates Committee for converting loans from LIBOR to SOFR). Union Bank will make the New Union Bank Line of Credit available to the Harbor Department for three years (unless terminated earlier or extended pursuant to their terms).

The Board is expected to determine that it is in the best interest of the Harbor Department to continue to maintain a short-term borrowing program (and increase the borrowing limit by \$50 million) in order to provide the Harbor Department with the flexibility to issue and/or incur short-term Subordinate Harbor Revenue Revolving Obligations to provide funds to finance and refinance the acquisition, construction, rehabilitation and equipping of facilities at, and improvements to, the Port. It is anticipated that some, or all, of the Series B/C Obligations may be refinanced in the future, subject to approval by the City Council, with long-term Harbor revenue bonds.

The short-term borrowing program will consist of the issuance and/or incurrence, from time to time, by the Harbor Department of its Subordinate Harbor Revenue Revolving Obligations Series B/C and draws under a revolving line of credit that will be provided by Union Bank. Union Bank also provides the current revolving line of credit. The Board is expected to approve a renewal/extension of the Union Bank revolving line of credit for a three-year term. The Subordinate Harbor Revenue Revolving Obligations Series B/C (and the related obligations of the Harbor Department under the Union Bank revolving credit agreement) shall be secured and payable from subordinate Harbor Department revenues.

This matter was reviewed by Principal Deputy City Attorney Richard Anthony, Interim City Treasurer David Nakamoto, and Financial Management Director Kevin Riper on March 18, 2022.

TIMING CONSIDERATIONS

City Council action is requested on April 5, 2022 to facilitate the renewal of the line of credit being provided by Union Bank in advance of the May 2022 expiration.

FISCAL IMPACT

The total cost of issuance including consultants and counsel fees for the renewal/extension of the New Union Bank Line of Credit is estimated to be \$43,000. To maintain the New Union Bank Line of Credit, the Harbor Department will be obligated to pay an annual commitment fee. The annual cost will range from approximately \$500,000 assuming only the commitment fee on the New Union Bank Line of Credit to a maximum of \$1,386,000, if the line of credit is fully drawn on a taxable basis, plus interest based on SOFR. The actual annual cost will vary based on the amount drawn on the New Union Bank Line of Credit and the variable interest rates. The Subordinate Harbor Revenue Revolving Obligations, Series B (Tax-Exempt) and Series C will be special, limited obligations of the City. The Board has pledged and assigned subordinate revenues of the Harbor Department to secure the payment of the Series B/C Obligations (and the related obligations of the Harbor Department under the Union Bank revolving credit agreement). Only Harbor Department revenues are pledged for the repayment of this debt. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

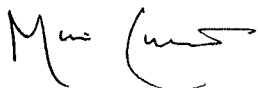
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




KEVIN RIPER
DIRECTOR OF FINANCIAL MANAGEMENT



MARIO CORDERO
EXECUTIVE DIRECTOR
PORT OF LONG BEACH

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS: RESOLUTION
A – SECOND AMENDMENT TO THE REVOLVING CREDIT AGREEMENT
B – SECOND AMENDED AND RESTATED FEE LETTER AGREEMENT
C – ANNEX A TO SECOND AMENDMENT TO THE REVOLVING CREDIT AGREEMENT

1 RESOLUTION NO.
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING THE ISSUANCE
5 AND/OR INCURRENCE, FROM TIME TO TIME, BY THE
6 BOARD OF HARBOR COMMISSIONERS, ON BEHALF OF
7 THE CITY OF LONG BEACH, OF SUBORDINATE
8 HARBOR REVENUE REVOLVING OBLIGATIONS
9 SECURED BY SUBORDINATE HARBOR DEPARTMENT
10 REVENUES IN AN AMOUNT NOT TO EXCEED
11 \$250,000,000 AGGREGATE PRINCIPAL AMOUNT
12 OUTSTANDING AT ANY ONE TIME TO FINANCE ANY
13 LEGAL PURPOSES OF THE HARBOR DEPARTMENT OF
14 THE CITY OF LONG BEACH AND CERTAIN OTHER
15 MATTERS
16

17 WHEREAS, the City Charter (the "Charter") of the City of Long Beach (the
18 "City") and Sections 3.52.110 through 3.52.150 of the Long Beach Municipal Code of the
19 City (the "Municipal Code") provide a procedure for the issuance of revenue bonds by the
20 City or by a Board of Commissioners, acting for and on behalf of the City; and

21 WHEREAS, pursuant to Article XII of the Charter, the City, acting by and
22 through its Board of Harbor Commissioners (the "Board"), is authorized to issue, on
23 behalf of the City, revenue bonds for harbor purposes; and

24 WHEREAS, Section 1725 of Article XVII of the Charter provides a
25 procedure for the issuance of short-term revenue certificate obligations by the City or by
26 a Board of Commissioners, acting for and on behalf of the City; and

27 WHEREAS, pursuant to Resolution No. RES-13-0054, adopted by the City
28 Council on July 16, 2013, the City Council previously approved the issuance and/or

1 incurrence, from time to time, by the Board, acting on behalf of the City, of short-term
2 Subordinate Harbor Revenue Subordinate Obligations (the “Subordinate Harbor
3 Revolving Obligations”) in an aggregate principal amount not to exceed \$200,000,000
4 outstanding at any one time for the purposes of financing and refinancing capital
5 improvements at the Port of Long Beach and for other harbor purposes, pursuant to
6 Resolution No. HD-2726 (Master Subordinate Resolution) adopted by the Board on July
7 16, 2013, as amended, and Resolution No. HD-2728 (Second Supplemental Subordinate
8 Resolution) adopted by the Board on July 16, 2013, as amended (collectively, the
9 “Subordinate Harbor Resolutions”), and one or more revolving credit agreements to be
10 entered into by the City, acting by and through the Board, and one or more lenders (the
11 “Revolving Credit Agreements”); and

12 WHEREAS, the Board, acting on behalf of the City, has determined that it’s
13 in the best interests of the Board and the City to increase the principal amount of
14 Subordinate Harbor Revolving Obligations that can be issued and/or incurred, from time
15 to time, and have outstanding at any one time from \$200,000,000 to \$250,000,000 for the
16 purposes of financing and refinancing capital improvements at the Port of Long Beach
17 and for other harbor purposes pursuant to the Subordinate Harbor Resolutions and the
18 Revolving Credit Agreements;

19 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
20 follows:

21 Section 1. That the City Council, acting pursuant to Article XII and
22 Section 1725 of Article XVII of the Charter and Sections 3.52.110 through 3.52.150 of the
23 Municipal Code, does hereby approve the issuance and/or incurrence, from time to time,
24 of the Subordinate Harbor Revolving Obligations in an aggregate principal amount not to
25 exceed \$250,000,000 outstanding at any one time pursuant to the Subordinate Harbor
26 Resolutions and the Revolving Credit Agreements.

27 The Subordinate Harbor Revolving Obligations shall be issued and/or
28 incurred as special, limited obligations of the City and shall be secured by a pledge of and

1 lien upon and shall be a charge upon and shall be payable from the subordinate revenues
2 of the Harbor Department of the City. The Subordinate Harbor Revolving Obligations shall
3 not be a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon
4 any of the City's property or upon any of the City's income, receipts or revenues, except the
5 subordinate revenues of the Harbor Department. The general fund of the City shall not be
6 liable for the payment of the Subordinate Harbor Revolving Obligations or interest thereon,
7 nor shall the credit or the taxing power of the City be pledged therefor.

8 Section 2. That the City Clerk is hereby authorized and directed to
9 forward to the Board, without delay, a certified copy of this resolution.

10 Section 3. This resolution shall take effect immediately upon its adoption
11 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

12 I hereby certify that the foregoing resolution was adopted by the City
13 Council of the City of Long Beach at its meeting of _____, 2022

14 by the following vote:

15
16 Ayes: Councilmembers: _____
17 _____
18 _____
19 _____

20 Noes: Councilmembers: _____
21 _____

22 Absent: Councilmembers: _____
23 _____

24 Recusal(s): Councilmembers: _____

25
26
27 _____
City Clerk

28

SECOND AMENDMENT TO REVOLVING CREDIT AGREEMENT

This SECOND AMENDMENT TO REVOLVING CREDIT AGREEMENT (this “*Amendment*”) is dated March 31, 2022 (the “*Amendment Date*”), between CITY OF LONG BEACH, CALIFORNIA, a municipal corporation and chartered city, acting by and through its Board of Harbor Commissioners (with its successors, the “*Borrower*”) and MUFG UNION BANK, N.A. (the “*Lender*”). All capitalized terms used herein and not defined herein shall have the meanings set forth in the hereinafter defined Agreement.

WITNESSETH

WHEREAS, the Borrower and the Lender have previously entered into that certain Revolving Credit Agreement dated as of July 1, 2016, as amended by the First Amendment to Revolving Credit Agreement dated May 16, 2019 (and as further amended, restated, supplemented or otherwise modified from time to time, the “*Existing Agreement*”);

WHEREAS, pursuant to Section 9.1 of the Agreement, the Agreement may be amended by a written amendment thereto executed by the Borrower and the Lender; and

WHEREAS, the Borrower and the Lender have agreed to make certain amendments to the Agreement subject to the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

1. AMENDMENTS.

Upon the satisfaction of the conditions precedent set forth in Section 2 hereof, the Existing Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the underlined text (indicated textually in the same manner as the following example: underlined text) as set forth in the conformed copy of the Existing Agreement set forth as *Annex A* attached hereto (the Existing Agreement as amended by *Annex A*, the “*Agreement*,” all capitalized terms herein and not defined herein shall have the meanings set forth in the Agreement).

2. CONDITIONS PRECEDENT.

This Amendment shall be effective as of the Amendment Date subject to the satisfaction of or waiver by the Lender of all of the following conditions precedent:

2.01. Delivery by the Borrower of an executed counterpart of this Amendment and the Second Amended and Restated Fee Letter dated March 31, 2022, between the Borrower and the Lender.

2.02. Delivery by the Borrower to the Lender of:

(a) an authorizing resolution and other required approvals authorizing this Amendment and the transactions contemplated hereby; and

(b) an incumbency certificate of the officers authorized to execute this Amendment.

2.03. Delivery to the Lender of an opinion of counsel to the Borrower, addressed to the Lender and in form and substance satisfactory to the Lender and its counsel.

2.04. The Lender shall have received, sufficiently in advance of the Amendment Date, all documentation and other information requested by the Lender for purposes of compliance with applicable “know your customer” requirements under the USA Patriot Act, the Beneficial Ownership Rule or other applicable anti-money laundering laws.

2.05. Payment by the Borrower to the Lender of the reasonable fees and expenses of counsel to the Lender (in an amount equal to \$20,000).

2.06. All other legal matters pertaining to the execution and delivery of this Amendment shall be reasonably satisfactory to the Lender and its counsel.

3. REPRESENTATIONS AND WARRANTIES OF THE BORROWER.

3.01. The Borrower hereby represents and warrants that the following statements shall be true and correct as of the date hereof:

(a) the representations and warranties of the Borrower contained in Article V of the Agreement and in each of the other Related Documents are true and correct on and as of the date hereof as though made on and as of such date (except to the extent the same expressly relate to an earlier date); and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment.

3.02. In addition to the representations given in Article V of the Agreement, the Borrower hereby represents and warrants as follows:

(a) The execution, delivery and performance by the Borrower of this Amendment is within its powers, have been duly authorized by all necessary action and do not contravene any law, rule or regulation, any judgment, order or decree or any contractual restriction binding on or affecting the Borrower.

(b) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and

delivery of this Amendment, and the performance by the Borrower of this Amendment or the Agreement, as amended hereby.

(c) This Amendment and the Agreement, as amended hereby, constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except that (i) the enforcement thereof may be limited by bankruptcy, reorganization, insolvency, liquidation, moratorium and other laws relating to or affecting the enforcement of creditors' rights and remedies generally, as the same may be applied in the event of the bankruptcy, reorganization, insolvency, liquidation or similar situation of the Borrower and (ii) no representation or warranty is expressed as to the availability of equitable remedies.

4. MISCELLANEOUS.

Except as specifically amended herein, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in any note, document, agreement, letter, certificate, the Agreement or any communication issued or made subsequent to or with respect to the Agreement, it being hereby agreed that any reference to the Agreement shall be sufficient to refer to, and shall mean and be a reference to, the Agreement, as hereby amended. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE.

This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile transmission or by e-mail with a pdf copy or other replicating image attached will be effective as delivery of a manually executed counterpart of this Amendment, and any printed or copied version of any signature page so delivered will have the same force and effect as an originally signed version of such signature page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the Amendment Date.

CITY OF LONG BEACH, CALIFORNIA, acting by
and through its Board of Harbor
Commissioners

By: _____
Managing Director – Finance
and Administration, Harbor Department of
the City of Long Beach

APPROVED AS TO FORM:

J. CHARLES PARKIN, City Attorney

By: _____
Deepika S. Thompson
Deputy City Attorney

MUFG UNION BANK, N.A.

By: _____

Name: Leora Lipton

Title: Vice President

ANNEX A TO SECOND AMENDMENT TO REVOLVING CREDIT AGREEMENT

[ATTACHED]

**SECOND AMENDED AND RESTATED FEE LETTER AGREEMENT
DATED AS OF MARCH 31, 2022**

Reference is hereby made to (i) that certain Revolving Credit Agreement, dated as of July 1, 2016, as amended (as may be further amended, supplemented, modified or restated from time to time, the “*Agreement*”), by and between the CITY OF LONG BEACH, CALIFORNIA, acting by and through its Board of Harbor Commissioners, including its successors and assigns (the “*Borrower*”), and MUFG UNION BANK, N.A., including its successors and assigns (the “*Lender*”) and (ii) that certain Amended and Restated Fee Letter Agreement, dated as of May 16, 2019 (the “*Existing Fee Letter*”), between the Borrower and the Lender. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The Lender and the Borrower have agreed to make certain modifications to the Existing Fee Letter, and, for the sake of clarity and convenience, the Lender and the Borrower wish to amend and restate the Existing Fee Letter in its entirety, and this Second Amended and Restated Fee Letter Agreement shall amend and restate the Existing Fee Letter in its entirety. The purpose of this Second Amended and Restated Fee Letter Agreement (the “*Fee Letter*”) is to confirm the agreement between the Lender and the Borrower with respect to, among other things, certain fees and expenses payable by the Borrower to the Lender. This Second Amended and Restated Fee Letter Agreement is the Fee Letter referenced in the Agreement and the terms hereof are incorporated by reference into the Agreement.

ARTICLE I

DEFINITIONS

In addition to the terms defined in the recitals and elsewhere in this Fee Letter and the Agreement, the following terms shall have the following meanings:

- (a) “*Commitment Fee*” has the meaning set forth in Section 3.1 hereof.
- (b) “*Rating*” means the lowest long-term unenhanced debt rating assigned by S&P, Fitch or Moody’s to any unenhanced Senior Bonds (without giving effect to any bond insurance policy or other credit enhancement securing such Senior Bonds).
- (c) “*Rating Category*” means one of the claims-paying ability rating or financial strength rating categories of any of the Rating Agencies, without regard to any refinement or gradation of such rating category by a numerical modifier, plus or minus, or otherwise.
- (d) “*Taxable Term SOFR Rate*” has the meaning set forth in Section 2.1 hereof.
- (e) “*Taxable Term SOFR Rate Margin*” has the meaning set forth in Section 2.1 hereof.

- (f) “*Tax-Exempt Rate*” has the meaning set forth in Section 2.1 hereof.
- (g) “*Tax-Exempt Rate Margin*” has the meaning set forth in Section 2.1 hereof.
- (h) “*Termination Fee*” has the meaning set forth in Section 3.3(b) hereof.

ARTICLE II

TAX-EXEMPT RATE AND TAXABLE TERM SOFR RATE

Section 2.1. (a) The “*Tax-Exempt Rate*” applicable to Tax-Exempt Revolving Loans shall be (A) prior to March 31, 2022, the sum of (i) the product of 81% of 30 Day LIBOR (as defined in the Agreement prior to the date hereof), plus (ii) the Tax-Exempt Rate Margin (as defined in the Existing Fee Letter), which shall be 42.5 basis points (0.425%), and (B) from and including March 31, 2022, and at all times thereafter, the sum of (i) the product of 81% of Adjusted Term SOFR, plus (ii) the Tax-Exempt Rate Margin, which shall be 30 basis points (0.30%), in each case, subject to maintenance of the current or higher Rating as set forth in the schedules below.

(b) The “*Taxable Term SOFR Rate*” applicable to Taxable Revolving Loans shall be (A) prior to March 31, 2022, the sum of 30 Day LIBOR (as defined in the Agreement prior to the date hereof) plus the Taxable LIBOR Rate Margin (as defined in the Existing Fee Letter), which shall be 81 basis points (0.81%), and (B) from and including March 31, 2022, and at all times thereafter, the sum of Adjusted Term SOFR plus the Taxable Term SOFR Rate Margin, which shall be 45 basis points (0.45%), in each case subject to maintenance of the current or higher Rating as set forth in the schedules below.

In the event of a change in the Rating, the Tax-Exempt Rate Margin applicable to the Tax-Exempt Rate (the “*Tax-Exempt Rate Margin*”) and the Taxable Term SOFR Rate Margin applicable to the Taxable Term SOFR Rate (the “*Taxable Term SOFR Rate Margin*”), in each case, shall increase to the amount corresponding to the Level associated with such Rating as set forth in the following schedules:

(i) For the period commencing on May 16, 2019, to and including March 30, 2022, the Tax-Exempt Rate Margin for such period shall be determined in accordance with the schedule set forth below:

| LEVEL | MOODY’S RATING | S&P RATING | FITCH RATING | TAX-EXEMPT RATE MARGIN |
|---------|----------------|--------------|--------------|------------------------|
| Level 1 | Aa3 or above | AA- or above | AA- or above | 0.425% |
| Level 2 | A1 | A+ | A+ | 0.475% |
| Level 3 | A2 | A | A | 0.545% |
| Level 4 | A3 | A- | A- | 0.695% |
| Level 5 | Baal | BBB+ | BBB+ | 1.095% |

| LEVEL | MOODY'S RATING | S&P RATING | FITCH RATING | TAX-EXEMPT RATE MARGIN |
|---------|----------------|------------|--------------|------------------------|
| Level 6 | Baa2 | BBB | BBB | 1.895% |
| Level 7 | Baa3 | BBB- | BBB- | 3.895% |

(ii) For the period commencing on May 16, 2019, to and including March 30, 2022, the Taxable LIBOR Rate Margin for such period shall be determined in accordance with the schedule set forth below:

| LEVEL | MOODY'S RATING | S&P RATING | FITCH RATING | TAXABLE LIBOR RATE MARGIN |
|---------|----------------|--------------|--------------|---------------------------|
| Level 1 | Aa3 or above | AA- or above | AA- or above | 0.81% |
| Level 2 | A1 | A+ | A+ | 0.86% |
| Level 3 | A2 | A | A | 0.93% |
| Level 4 | A3 | A- | A- | 1.08% |
| Level 5 | Baal | BBB+ | BBB+ | 1.48% |
| Level 6 | Baa2 | BBB | BBB | 2.28% |
| Level 7 | Baa3 | BBB- | BBB- | 4.28% |

(iii) For the period commencing on March 31, 2022, and at all times thereafter, the Tax-Exempt Rate Margin for such period shall be determined in accordance with the schedule set forth below:

| LEVEL | MOODY'S RATING | S&P RATING | FITCH RATING | TAX-EXEMPT RATE MARGIN |
|---------|----------------|--------------|--------------|------------------------|
| Level 1 | Aa3 or above | AA- or above | AA- or above | 0.30% |
| Level 2 | A1 | A+ | A+ | 0.35% |
| Level 3 | A2 | A | A | 0.42% |
| Level 4 | A3 | A- | A- | 0.57% |
| Level 5 | Baal | BBB+ | BBB+ | 0.97% |
| Level 6 | Baa2 | BBB | BBB | 1.77% |
| Level 7 | Baa3 | BBB- | BBB- | 3.77% |

(iv) For the period commencing on March 31, 2022, and at all times thereafter, the Taxable Term SOFR Rate Margin for such period shall be determined in accordance with the schedule set forth below:

| LEVEL | MOODY'S RATING | S&P RATING | FITCH RATING | TAXABLE TERM SOFR RATE MARGIN |
|---------|----------------|--------------|--------------|-------------------------------|
| Level 1 | Aa3 or above | AA- or above | AA- or above | 0.45% |
| Level 2 | A1 | A+ | A+ | 0.50% |
| Level 3 | A2 | A | A | 0.57% |
| Level 4 | A3 | A- | A- | 0.72% |
| Level 5 | Baal | BBB+ | BBB+ | 1.12% |

| LEVEL | MOODY'S RATING | S&P RATING | FITCH RATING | TAXABLE TERM SOFR RATE MARGIN |
|---------|----------------|------------|--------------|-------------------------------|
| Level 6 | Baa2 | BBB | BBB | 1.92% |
| Level 7 | Baa3 | BBB- | BBB- | 3.92% |

The following paragraphs in this Section 2.1 shall be applicable to each of clause (i) (including the schedule), clause (ii) (including the schedule) and clause (iii) (including the schedule) above. For greater certainty, if the relevant ratings assigned by the Rating Agencies appear in more than one Level (i.e., a split rating), the Tax-Exempt Rate Margin and the Taxable Term SOFR Rate Margin, as applicable, will be based on the Level that includes the lowest rating. References to the ratings above are references to Rating Categories as presently determined by the Rating Agencies and, in the event of adoption of any new or changed rating system by any such Rating Agency including, without limitation, any recalibration of the long-term debt rating of any unenhanced Senior Bonds in connection with the adoption of a "global" rating scale, each relevant rating from the Rating Agency in question referred to above shall be deemed to refer to the Rating Category under the new rating system which most closely approximates the applicable Rating Category as in effect on the date of this Fee Letter.

A downgrade in the Rating will immediately and automatically result in an increase in the Tax-Exempt Rate Margin and the Taxable Term SOFR Rate Margin as set forth above.

The Lender's determination of the Tax-Exempt Rate Margin, the Taxable Term SOFR Rate Margin, the Tax-Exempt Rate and the Taxable Term SOFR Rate pursuant hereto and the Agreement shall be conclusive absent manifest error.

In addition to the foregoing, (A) if a relevant rating is withdrawn, suspended or otherwise unavailable for credit related reasons from any two of Fitch, S&P or Moody's (or if only two of Fitch, S&P or Moody's is then rating the Senior Bonds, if a relevant rating is withdrawn, suspended or otherwise unavailable for credit related reasons from any one of the two Rating Agencies then rating the Senior Bonds), the Tax-Exempt Rate Margin and the Taxable Term SOFR Rate Margin shall, immediately and without notice, be increased by 3.50% per annum above the Tax-Exempt Rate Margin and the Taxable Term SOFR Rate Margin in effect immediately prior to such withdrawal, suspension or other unavailability and shall remain in effect for so long as such withdrawal, suspension or other unavailability remains in effect, and (B) at any time during which an Event of Default has occurred and is continuing, the Tax-Exempt Rate Margin and the Taxable Term SOFR Rate Margin shall, immediately and without notice, be the Default Rate.

ARTICLE III

COMMITMENT FEES

Section 3.1. Commitment Fees. The Borrower agrees to pay or cause to be paid to the Lender quarterly in arrears on the first Business Day of each January, April, July and October

occurring prior to the Termination Date, and on the Termination Date (each, a “*Fee Payment Date*”), a non-refundable commitment fee (the “*Commitment Fee*”), for each quarterly fee period, commencing on the first calendar day of such quarterly fee period (except that, with respect to the first quarterly fee period, commencing on the Effective Date) and ending on the last calendar day of such quarterly fee period (or, in the case of the Termination Date, on the Termination Date), in an amount equal to the product of (i) the rate per annum corresponding to the Level specified below associated with the Rating as specified in the applicable schedule below (the “*Commitment Fee Rate*”), multiplied by (ii) the average daily Available Commitment (without regard to any temporary reductions thereof) during each related quarterly fee period:

(i) For the period commencing on May 16, 2019, to and including March 30, 2022, the Commitment Fee Rate for such period shall be determined in accordance with the schedule set forth below:

| LEVEL | MOODY’S RATING | S&P RATING | FITCH RATING | COMMITMENT FEE RATE |
|---------|-------------------|---------------|--------------|------------------------|
| Level 1 | Aa3 or above | A A- or above | AA- or above | 0.25% |
| Level 2 | A1 | A+ | A+ | 0.30% |
| Level 3 | A2 | A | A | 0.37% |
| Level 4 | A3 | A- | A- | 0.52% |
| Level 5 | Baal | BBB+ | BBB+ | 0.92% |
| Level 6 | Baa2 | BBB | BBB | 1.72% |
| Level 7 | Baa3 | BBB- | BBB- | 3.72% |

(ii) For the period commencing on March 31, 2022, and at all times thereafter the Commitment Fee Rate for such period shall be determined in accordance with the schedule set forth below:

| LEVEL | MOODY’S RATING | S&P RATING | FITCH RATING | COMMITMENT FEE RATE |
|---------|-------------------|---------------|--------------|------------------------|
| Level 1 | Aa3 or above | A A- or above | AA- or above | 0.20% |
| Level 2 | A1 | A+ | A+ | 0.25% |
| Level 3 | A2 | A | A | 0.32% |
| Level 4 | A3 | A- | A- | 0.47% |
| Level 5 | Baal | BBB+ | BBB+ | 0.87% |
| Level 6 | Baa2 | BBB | BBB | 1.67% |
| Level 7 | Baa3 | BBB- | BBB- | 3.67% |

The following paragraphs in this Section 3.1 shall be applicable to both clause (i) (including the schedule) and clause (ii) (including the schedule) above. For greater certainty, if the relevant ratings assigned by the Rating Agencies appear in more than one Level (*i.e.*, a split rating), the Commitment Fee Rate will be based on the Level that includes the lowest rating. References to the ratings above are references to Rating Categories as presently determined by the Rating Agencies and, in the event of adoption of any new or changed rating system by any such Rating Agency including, without limitation, any recalibration of the long-term debt rating

of any unenhanced Senior Bonds in connection with the adoption of a “global” rating scale, each relevant rating from the Rating Agency in question referred to above shall be deemed to refer to the Rating Category under the new rating system which most closely approximates the applicable Rating Category as in effect on the date of this Fee Letter.

A downgrade in the Rating will immediately and automatically result in an increase in the Commitment Fee Rate set forth above.

In addition to the foregoing, (A) if a relevant rating is withdrawn, suspended or otherwise unavailable for credit related reasons from any two of Fitch, S&P or Moody’s (or if only two of Fitch, S&P or Moody’s is then rating the Senior Bonds, if a relevant rating is withdrawn, suspended or otherwise unavailable for credit related reasons from any one of the two Rating Agencies then rating the Senior Bonds), the Commitment Fee Rate shall, immediately and without notice, be increased by 3.50% per annum above the Commitment Fee Rate in effect immediately prior to such withdrawal, suspension or other unavailability and shall remain in effect for so long as such withdrawal, suspension or other unavailability remains in effect, and (B) at any time during which an Event of Default has occurred and is continuing, the Commitment Fee Rate shall, immediately and without notice, be the Default Rate.

The Commitment Fees shall be payable quarterly in arrears on each Fee Payment Date in immediately available funds and computed on the basis of a 360-day year and the actual number of days elapsed, and, if unpaid when due, shall bear interest from the date payment is due until payment in full at the Default Rate.

The Lender shall provide the Borrower with an invoice at least ten (10) Business Days prior to each Fee Payment Date; *provided, however*, that the failure by the Lender to provide any invoice shall not relieve the Borrower of its obligation to make payment of the Commitment Fees hereunder.

The Lender’s determination of the Commitment Fee pursuant hereto shall be conclusive absent manifest error.

Section 3.2. Amendment, Waiver Fees and Other Fees and Expenses. The Borrower agrees to pay to the Lender on the date of each amendment, modification, extension, supplement or waiver of the Agreement, this Fee Letter or the Notes or any amendment, modification, supplement or waiver to any Related Document which requires the consent of the Lender, a non-refundable amendment, modification, extension, supplement or consent fee, as applicable, in an amount equal to \$3,000, plus the reasonable fees of any legal counsel retained by the Lender in connection therewith, unless the Lender is requesting the amendment, modification, supplement or waiver.

Section 3.3. Termination Fee. (a) Notwithstanding any other provision of the Agreement or this Fee Letter to the contrary and in addition to all other Obligations it owes to the Lender under the Agreement and hereunder, if the Borrower elects to terminate or permanently reduce the Available Commitment prior to the first anniversary of the date hereof, then the Borrower shall pay to the Lender a Termination Fee (as determined in Section 3.3(b) below).

The Borrower shall provide the Lender with no less than thirty (30) days prior written notice of its intent to terminate the Agreement or permanently reduce the Available Commitment; *provided*, that any such termination of the Agreement or the permanent reduction of the Available Commitment shall be in compliance with the terms and conditions of the Agreement; *provided, further*, that no Termination Fee shall become payable if the Agreement is terminated or the Available Commitment is permanently reduced as a result of the Lender having imposed increased costs upon the Borrower pursuant to Section 2.7 of the Agreement.

The Borrower agrees that all payments to the Lender referred to in the preceding paragraph shall be made in immediately available funds on or prior to such date of termination.

(b) The Borrower hereby agrees to pay to the Lender a non-refundable Termination Fee described in Section 3.3(a) above in an amount equal to the product of (i) the Commitment Fee Rate in effect on the date of such termination of the Agreement or the permanent reduction of the Available Commitment, (ii) the amount of the Initial Commitment Amount (or in the case of a permanent reduction of the Available Commitment, the amount of the Initial Commitment Amount minus the Available Commitment remaining after the reduction) and (iii) a fraction, the numerator of which is equal to the number of days from and including the date of termination or replacement to and including the one year anniversary of the date hereof, and the denominator of which is 360 (the "*Termination Fee*"), payable on the date the Agreement or the Available Commitment are terminated or reduced, as applicable.

ARTICLE IV

MISCELLANEOUS

Section 4.1. Expenses. The Borrower shall pay on the date hereof the amendment fee of the Lender and the fees and expenses of counsel to the Lender, in accordance with Section 2.05 of the First Amendment to Revolving Credit Agreement dated March 31, 2022, between the Borrower and the Lender.

Section 4.2. Amendments. No amendment to this Fee Letter shall become effective without the prior written consent of the Borrower and the Lender.

Section 4.3. Governing Law. THIS FEE LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE.

Section 4.4. Counterparts. This Fee Letter may be executed in multiple counterparts, each of which shall constitute an original but both of which, when taken together, shall constitute but one instrument,

Section 4.5. Severability. Any provision of this Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 4.6. Confidentiality. This Fee Letter is being executed and delivered by the Lender on the understanding that neither this Fee Letter nor any of its terms shall be disclosed, directly or indirectly, to any other person except as required by or under compulsion of law (whether by interrogatory, subpoena, civil investigative demand or otherwise) or by order of any court or governmental or regulatory body; *provided* that, to the extent permitted, the Borrower shall give the Lender reasonable prior notice of such disclosure.

Section 4.7. Second Amended and Restated Fee Letter Agreement. This Second Amended and Restated Fee Letter Agreement amends and restates in its entirety the Existing Fee Letter. Reference to this specific Second Amended and Restated Fee Letter Agreement need not be made in any agreement, document, instrument, letter, certificate, the Agreement, the Existing Fee Letter itself, or any communication issued or made pursuant to or with respect to the Existing Fee Letter, any reference to the Existing Fee Letter being sufficient to refer to the Existing Fee Letter as amended and restated hereby, and more specifically, any and all references to the “Fee Letter” in the Agreement shall mean this Second Amended and Restated Fee Letter Agreement.

[SIGNATURE PAGES FOLLOW]

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

CITY OF LONG BEACH, CALIFORNIA, acting by
and through its Board of Harbor
Commissioners

By: _____
Managing Director – Finance and
Administration, Harbor Department of the
City of Long Beach

Approved as to form:

J. CHARLES PARKIN, City Attorney

By: _____
Deepika S. Thompson
Deputy City Attorney

MUFG UNION BANK, N.A.

By: _____
Name: Leora Lipton
Title: Vice President

TO
SECOND AMENDMENT TO REVOLVING CREDIT AGREEMENT
CONFORMED REVOLVING CREDIT AGREEMENT

- First Amendment to Revolving Credit Agreement dated May 16, 2019

THIS CONFORMED REVOLVING CREDIT AGREEMENT IS FOR CONVENIENT REFERENCE PURPOSES ONLY AND DOES NOT SUPERSEDE OR REPLACE THE REVOLVING CREDIT AGREEMENT AND ABOVE-REFERENCED AMENDMENTS THERETO

REVOLVING CREDIT AGREEMENT

dated as of July 1, 2016

by and between

CITY OF LONG BEACH, CALIFORNIA,
acting by and through its
Board of Harbor Commissioners

and

MUFG UNION BANK, N.A.

relating to

\$250,000,000

MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF
CITY OF LONG BEACH, CALIFORNIA
SUBORDINATE HARBOR REVENUE REVOLVING OBLIGATIONS,
SERIES B (TAX-EXEMPT)

and

CITY OF LONG BEACH, CALIFORNIA
SUBORDINATE HARBOR REVENUE REVOLVING OBLIGATIONS,
SERIES C (TAXABLE)

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REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT, dated as of July 1, 2016 (as the same may be amended and supplemented from time to time, this "*Agreement*"), is entered into by and between the CITY OF LONG BEACH, CALIFORNIA, a municipal corporation and chartered city, acting by and through its Board of Harbor Commissioners (with its successors, the "*Borrower*"), and MUFG UNION BANK, N.A. (including its successors and permitted assigns hereunder, the "*Lender*").

RECITALS

WHEREAS, the Borrower, wishing to obtain tax-exempt and taxable revolving lines of credit (collectively, the "*Lines of Credit*") from the Lender pursuant to this Agreement, has adopted (a) Resolution No. HD-2726, on July 16, 2013 (together with all amendments and modifications thereto, the "*Master Subordinate Resolution*") and Resolution No. HD-2728, on July 16, 2013 (as amended by Resolution No. HD-2852, adopted by the Borrower on June 30, 2016 and by Resolution No. HD-[], adopted by the Borrower on March [], 2022, the "*Second Supplemental Subordinate Resolution*" and, together with the Master Subordinate Resolution, the "*Resolutions*"), the proceeds of which Lines of Credit will be used by the Borrower for the purposes of (i) financing and refinancing the acquisition, construction, rehabilitation and equipping of capital improvements to the Port (as defined herein), (ii) financing the costs of issuance of the Notes (as defined herein), and (iii) financing any other needs of the Borrower and the Department (as defined herein), including, but not limited to, the refunding and restructuring of existing and future indebtedness of the Borrower; and

WHEREAS, the Lender is willing, upon the terms and subject to the conditions set forth below, to provide the Lines of Credit to the Borrower pursuant to which the Borrower may borrow, repay and, *provided* that no Default or Event of Default (each as defined herein) has occurred and is continuing hereunder, re-borrow after the Effective Date (as defined herein) until the Commitment Expiration Date (as defined herein); and

WHEREAS, all obligations of the Borrower to repay the Lender for extensions of credit made by the Lender under the Lines of Credit and to pay all other amounts payable to the Lender arising under or pursuant to this Agreement, the Fee Letter (as defined herein) and the Notes (a) are created hereunder and under the Resolutions, (b) will be evidenced by this Agreement, the Resolutions and the Notes and (c) will be secured by a pledge of and lien on Subordinate Revenues (as defined herein) and such other funds, assets, rights, property, interests and security described in the Resolutions, all in accordance with the terms and conditions hereof and of the Resolutions;

NOW, THEREFORE, in consideration of the foregoing Recitals and other consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce the Lender to extend the Lines of Credit to the Borrower, the Borrower and the Lender hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Defined Terms. In addition to the terms defined in the recitals and elsewhere in this Agreement and the Resolutions, the following terms shall have the following meanings:

“*Additional Rights*” have the meanings set forth in Section 6.1(i) hereof.

“*Adjusted Term SOFR*” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation *plus* (b) the Term SOFR Adjustment; *provided* that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“*Advance Date*” means the date on which the Lender honors a Request for Revolving Loan and makes the funds requested available to the Borrower.

“*Agreement*” means this Revolving Credit Agreement, as the same may be amended from time to time.

“*Amortization End Date*” means the earliest to occur of (A) the third (3rd) anniversary of the Conversion Date; (B) the seventh (7th) day immediately succeeding an Event of Default specified in Sections 8.1(a), 8.1(b), 8.1(c), 8.1(d), 8.1(e), 8.1(h), 8.1(p)(i) and 8.1(p)(ii) hereof; and (C) the ninetieth (90th) day immediately succeeding the date on which the Lender has notified the Borrower of an acceleration of the Obligations following any Event of Default specified in Sections 8.1(f), 8.1(g), 8.1(i), 8.1(j), 8.1(k), 8.1(l), 8.1(m), 8.1(n), 8.1(o) and 8.1(p)(iii) hereof.

“*Amortization Payment*” has the meaning set forth in Section 2.21 hereof.

“*Amortization Payment Date*” means (a) the Initial Amortization Payment Date, (b) the next ten (10) dates which occur thereafter on each three-month anniversary of the Initial Amortization Payment Date, to the extent such dates occur prior to the Amortization End Date and (c) the Amortization End Date.

“*Amortization Period*” has the meaning set forth in Section 2.21 hereof.

“*AMT Project*” has the meaning set forth in the Second Supplemental Subordinate Resolution.

“*Applicable Law*” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and

permits of, and agreements with, any Governmental Authority, in each case, whether or not having the force of law.

“Approving Opinion” means, with respect to any action or matter, an opinion delivered by Special Counsel to the effect that such action (a) is permitted by this Agreement and the other Related Documents and (b) will not adversely affect the exclusion of interest on any Tax Exempt Loan from gross income of the Lender or any Participant for purposes of federal income taxation.

“Available Commitment” means, on any date, an initial amount equal to \$250,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to each Revolving Loan made to the Borrower under the Tax-Exempt Loan Commitment and/or the Taxable Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan under the Tax-Exempt Loan Commitment and/or the Taxable Loan Commitment, as applicable, that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.10 or 8.2(c) hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; *provided* that, after giving effect to any of the foregoing adjustments the Available Commitment shall never exceed \$250,000,000 at any one time.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from this Agreement pursuant to Section 2.27.

“Bank Affiliate” means, as to the Lender, a corporation, partnership, association, agency, authority, instrumentality, joint venture, business trust or similar entity organized under the laws of any state that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Lender.

“Banking Day” means any day (other than a Saturday or a Sunday) on which the Lender is open for business in California.

“Bankruptcy Code” means the federal Bankruptcy Code of 1978, as it may be amended from time to time (Title 11 of the United States Code), and any successor statute thereto.

“Base Rate” means, for any day, a fluctuating rate of interest per annum equal to the highest of (a) the Reference Rate in effect at such time plus one and one-half percent (1.50%); (b) the Federal Funds Effective Rate in effect at such time plus one and one-half percent (1.50%); (c) Adjusted Term SOFR for a one-month tenor in effect at such time plus one and one-half percent (1.50%); and (d) five and one-half of one percent (5.50%).

“*Base Rate Term SOFR Determination Day*” has the meaning set forth in the definition of “*Term SOFR*” below.

“*Benchmark*” means Term SOFR; *provided* that if a Benchmark Transition Event has occurred with respect to Term SOFR or the then-current Benchmark, then “*Benchmark*” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.27(a).

“*Benchmark Replacement*” means with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Lender and Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; *provided* that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Related Documents.

“*Benchmark Replacement Adjustment*” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Lender and Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time.

“*Benchmark Replacement Conforming Changes*” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “*Base Rate*,” the definition of “*Business Day*” or the definition of “*U.S. Government Securities Business Day*”, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of Section 2.10 and other technical, administrative or operational matters) that the Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Related Documents).

“*Benchmark Replacement Date*” means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event”, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative or not to comply with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; *provided* that such non-representativeness or non-compliance will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Transition Event*” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative or do not, or as a specified future date will not, comply with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Transition Start Date*” means, in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“*Benchmark Unavailability Period*” means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Related Document in accordance with Section 2.27 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Related Document in accordance with Section 2.27.

“*Board*” means the Board of Harbor Commissioners of the City, and any successors thereto.

“*Borrower*” has the meaning set forth in the introductory paragraph hereof.

“*Business Day*” means any day other than (a) a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in the State of California or in the State of New York for commercial banking purposes; (b) a day on which the New York Stock Exchange is authorized or required by law or executive order to be closed; and (iii) a day upon which commercial banks, including the Lender, are authorized or required by law or executive order to be closed in the cities or states in which demands for payment may be presented hereunder.

“*Change in Law*” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any Applicable Law including, without limitation, any Risk-Based Capital Guidelines, (b) any change in any Applicable Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything

herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“*Charter*” means the Charter of the City, as amended and supplemented from time to time.

“*Chief Financial Officer*” has the meaning set forth in the Second Supplemental Subordinate Resolution.

“*City*” means the City of Long Beach, California.

“*Code*” means the Internal Revenue Code of 1986, as amended, and, where appropriate, any statutory predecessor or any successor thereto.

“*Commitment*” means the agreement of the Lender pursuant to Section 2.1 hereof to make Revolving Loans under the terms hereof for the account of the Borrower for the purposes of providing funds to pay Costs of a Project, costs of issuance in connection with this Agreement or for any other purpose permitted under the Law and/or the Resolutions.

“*Commitment Expiration Date*” means **[March 14]**, 2025, unless extended as provided herein.

“*Commitment Fee*” has the meaning set forth in the Fee Letter.

“*Confirmation Certificate*” has the meaning set forth in Section 2.18(a).

“*Contingent Obligation*” means, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any indebtedness, leases, dividends, or other obligations (“*primary obligations*”) of any other Person (the “*primary obligor*”) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation, or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided, however*, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect

thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

“*Conversion Date*” means the date on which a Revolving Loan is converted to a Term Loan pursuant to Article II-C hereof.

“*Costs of a Project*” has the meaning set forth in the Second Supplemental Subordinate Resolution.

“*Cut-Off Date*” has the meaning set forth in Section 2.7(d) hereof.

“*Debt*” means, with respect to any Person, (a) all indebtedness of such Person for borrowed money; (b) all obligations of such Person as lessee under capital leases; (c) all obligations of such Person to pay the deferred purchase price of property or services; (d) certificates of participation evidencing an undivided ownership interest in payments made by such Person as lessee under capital leases, as purchaser under an installment sale agreement or otherwise as an obligor in connection therewith; (e) all Guarantees by such Person of Debt of another Person; (f) the face amount of any letter of credit issued for the account of such Person and, without duplication, all drafts drawn and reimbursement obligations arising thereunder; (g) all Debt of a second Person secured by any Lien on any property owned by such first Person, whether or not such Debt has been assumed; (h) all obligations of such Person to pay a specified purchase price for goods or services whether or not delivered or accepted, including but not limited to, take-or-pay or similar obligations; (i) all Contingent Obligations of such Person; and (j) obligation of such Person due and payable under Swap Contracts; *provided, however*, that Debt shall not include trade payables arising in the ordinary course of business.

“*Default*” means any event or condition which, with notice, the passage of time or any combination of the foregoing, would constitute an Event of Default.

“*Default Rate*” means, on any particular date, a rate of interest per annum equal to five percent (5.00%) per annum plus the Base Rate in effect on such date.

“*Department*” means the Harbor Department of the City created pursuant to Article XII of the Charter.

“*Designated Representative*” has the meaning set forth in the Second Supplemental Subordinate Resolution.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

- (a) on the date when the Borrower files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(b) on the date when the Lender has received written notification from the Borrower, supported by a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax exempt municipal finance, to the effect that an Event of Taxability has occurred;

(c) on the date when the Borrower shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Borrower (or a statutory notice of deficiency, or a document of substantially similar import), or upon any review or audit of the Borrower, or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(d) on the date when the Borrower shall receive notice from the Lender that the Internal Revenue Service (or any other Governmental Authority exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lender due to the occurrence of an Event of Taxability;

provided, however, that (i) no Determination of Taxability shall occur under subparagraph (c) or (d) above unless the Borrower has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; and (ii) upon demand from the Lender, the Borrower shall promptly reimburse the Lender or any such other Noteholder for any payments, including any taxes, interest, penalties or other charges the Lender or Noteholder shall be obligated to make as a result of the Determination of Taxability.

“Dollar” and “\$” mean lawful money of the United States.

“Effective Date” has the meaning to such term in the introductory paragraph of Article III hereof.

“Environmental Laws” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, or rules, and all judgments, orders, decrees, permits, concessions, grants, franchises, licenses, permits, agreements or governmental restrictions relating to air, water or land pollution, wetlands, or the protection of the environment or the release of any materials into the environment, including air, water or land and those related to Hazardous Materials, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

“*Event of Default*” with respect to this Agreement has the meaning set forth in Section 8.1 hereof and, with respect to any other Related Document, has the meaning assigned therein.

“*Event of Taxability*” means (a) a change in Applicable Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Borrower, or the failure to take any action by the Borrower, or the making by the Borrower of any misrepresentation herein or in any certificate required to be given in connection with this Agreement) which has the effect of causing interest paid or payable on any Tax-Exempt Loan to become includable, in whole or in part, in the gross income of the Lender or any other Noteholder thereof for federal income tax purposes (other than for a period during which the Lender or any other Noteholder is or was a “substantial user” of an AMT Project financed or refinanced with proceeds of a Tax-Exempt Loan or a “related person” for purposes of Section 147(a) of the Code) or (b) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on any Tax-Exempt Loan to become includable, in whole or in part, in the gross income of the Lender or any other Noteholder for federal income tax purposes (other than for a period during which the Lender or any other Noteholder is or was a “substantial user” of an AMT Project financed or refinanced with proceeds of a Tax-Exempt Loan or a “related person” for purposes of Section 147(a) of the Code). An “Event of Taxability” does not include any event, condition or circumstance which results in interest on any Tax-Exempt Loan, the proceeds of which were used to finance or refinance an AMT Project, being an item of tax preference subject to the federal alternative minimum tax, or any other tax consequences which depend upon the Lender’s or any other Noteholder’s particular tax status.

“*Excess Interest*” has the meaning set forth in Section 2.24 hereof.

“*Excluded Taxes*” means, with respect to the Lender or any Participant, taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Applicable Law of which such recipient is organized or in which its principal office is located.

“*Executive Director*” has the meaning set forth in the Master Subordinate Resolution.

“*Federal Funds Effective Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that: (a) if such day is not a Business Day, then the Federal Funds Effective Rate for such day

shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; and (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Effective Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Lender on such day on such transactions as determined by the Lender.

“*Fee Letter*” means that certain Second Amended and Restated Fee Letter Agreement, dated as of March 17, 2022, between the Borrower and the Lender, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof.

“*Fiscal Agent*” has the meaning set forth in the Second Supplemental Subordinate Resolution.

“*Fiscal Agent Agreement*” has the meaning set forth in the Second Supplemental Subordinate Resolution.

“*Fiscal Year*” has the meaning set forth in the Master Subordinate Resolution.

“*Fitch*” means Fitch Ratings, Inc. and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Fitch*” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Moody’s) designated by the Borrower with written notice to the Lender.

“*Floor*” means a rate of interest equal to 0.00%.

“*FRB*” means the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

“*Generally Accepted Accounting Principles*” or “*GAAP*” means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the Borrower.

“*Governmental Approval*” means an authorization, consent, approval, license or exemption of, registration or filing with, or report to, any Governmental Authority.

“*Governmental Authority*” means the government of the United States or any state or political subdivision thereof or any other nation or political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Guarantee*” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep well, to purchase assets, goods, securities or services, to take or pay, or to maintain financial statement conditions or otherwise) or (b) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part).

“*Hazardous Materials*” means (a) any petroleum or petroleum products, flammable substance, explosives, radioactive materials, hazardous waste or contaminants, toxic wastes, substances or contaminants, or any other wastes, contaminants, or pollutants; (b) asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers, or other equipment that contains dielectric fluid containing levels of polychlorinated biphenyls or radon gas; (c) any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “contaminants” or “pollutants,” or words of similar import, under any applicable Environmental Law; (d) any other chemical, material or substance, exposure to which is prohibited, limited, or regulated by any governmental authority; and (e) any other chemical, material or substance which may or could pose a hazard to the environment.

“*Indemnified Parties*” has the meaning set forth in Section 9.4(a) hereof.

“*Indemnified Taxes*” means Taxes, other than Excluded Taxes.

“*Initial Amortization Payment Date*” means the ninetieth (90th) day following the Conversion Date.

“*Initial Commitment Amount*” means, as of the Effective Date, \$250,000,000.

“*Interest Payment Date*” means (a) with respect to any Tax-Exempt Revolving Loan or Taxable Revolving Loan, the first Business Day of every calendar month, and on the Revolving Loan Maturity Date, and (b) as to any Term Loan, the first Business Day of every calendar month, and on the Amortization End Date.

“*Interest Period*” means, with respect to any Loan, initially, the period from (and including) the Advance Date to (but excluding) the next succeeding Rate Reset Date, and thereafter shall mean the period from (and including) such Rate Reset Date to (but excluding) the next succeeding Rate Reset Date (or, if sooner, to but excluding the Revolving Loan Maturity Date or the Amortization End Date, as applicable).

“*Investment Policy*” means the investment policy of the City of Long Beach, California, as amended and supplemented from time to time.

“*Law*” means, collectively, (a) the Charter, as the same may be amended and modified, and (b) Title 3, Chapter 3.52, Division I of the Municipal Code of the City, as the same may be amended and modified.

“*Lender*” has the meaning set forth in the introductory paragraph hereof.

“*Lender Agreement*” means any credit agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) entered into by the Borrower with any Person, directly or indirectly, or otherwise consented to by the Borrower, under which any Person or Persons undertakes to make loans, extend credit or liquidity to the Borrower in connection with, or purchase on a private placement basis, any Debt secured by or payable from Subordinate Revenues executed after the Effective Date.

“*Lender’s Office*” means the Lender’s address and, as appropriate, the account as set forth in Section 9.2 hereof, or such other address or account of which the Lender may from time to time notify the Borrower.

“*Lender Transferee*” has the meaning set forth in Section 9.7(b) hereof.

“*Lien*” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“*Loan*” and “*Loans*” means individually, each Revolving Loan and each Term Loan under this Agreement and, collectively, the Revolving Loans and the Term Loans under this Agreement.

“*Managing Director-Finance and Administration*” has the meaning set forth in the Second Supplemental Subordinate Resolution.

“*Margin Stock*” has the meaning ascribed to such term in Regulation U and/or Regulation X promulgated by the FRB, as now and hereafter from time to time in effect.

“*Master Senior Resolution*” has the meaning set forth in the Master Subordinate Resolution.

“*Master Subordinate Resolution*” has the meaning set forth in the Recitals hereto.

“*Material Adverse Effect*” means (a) a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Borrower, the Department or the Port, taken as a whole; (b) a material impairment of the rights and remedies of the Lender under this Agreement,

the Notes, the Fee Letter or any other Related Document, or of the ability of the Borrower to perform its obligations under this Agreement, the Notes, the Fee Letter and any other Related Document to which it is a party, as determined in the sole discretion of the Lender; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower of this Agreement, the Notes, the Fee Letter or any other Related Document to which it is a party, as determined in the sole discretion of the Lender.

“Maximum Annual Debt Service” has the meaning set forth in the Master Subordinate Resolution.

“Maximum Federal Corporate Tax Rate” means the maximum marginal statutory rate of federal tax, as in effect from time to time, imposed upon the income of corporations generally pursuant to Section 26 U.S. Code § 11.

“Maximum Rate” means the maximum interest rate payable by the Borrower under Applicable Law.

“Moody’s” means Moody’s Investors Service, Inc. and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Fitch) designated by the Borrower with written notice to the Lender.

“New Acceleration Provisions” have the meanings set forth in Section 6.1(j) hereof.

“1933 Act” means the Securities Act of 1933, as amended.

“Non-Lender Transferee” has the meaning set forth in Section 9.7(c) hereof.

“Notes” means the Tax-Exempt Note and the Taxable Note, substantially in the forms set forth in Exhibit A-1 and Exhibit A-2 hereto, delivered to the Lender each evidencing the Reimbursement Obligations of the Borrower, as amended and supplemented from time to time.

“Noteholder” means the Lender, but only in its capacity as owner of the Notes pursuant to this Agreement, any Participant and any other Person to whom the Lender has sold all or a portion of a Note pursuant to Section 9.7 hereof.

“Obligations” means all Reimbursement Obligations, all fees, expenses and charges payable or reimbursable hereunder to the Lender (including, without limitation, any amounts to reimburse the Lender for any advances or expenditures by it under any of such documents) and all other payment obligations of the Borrower to the Lender arising under or in relation to this Agreement, the Fee Letter or the other Related Documents, in each case, whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

“*Other Taxes*” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement, the Fee Letter, the Notes or any other Related Document.

“*Outstanding*” when used in reference to the Notes means, as of a particular date, the Notes authenticated and delivered pursuant to the Resolutions unless: (a) the Note has been cancelled at or before such date, (b) the Note is deemed to have been paid in accordance with the Resolutions or (c) a Note in lieu of or in substitution for which another Note shall have been authenticated and delivered pursuant to the Resolutions.

“*Participant*” has the meaning set forth in Section 9.7(d) hereof.

“*Patriot Act*” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001), as amended.

“*Periodic Term SOFR Determination Day*” has the meaning set forth in the definition of “*Term SOFR*”.

“*Person*” means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

“*Port*” has the meaning set forth in the Master Subordinate Resolution.

“*Rate Reset Date*” means each date on which the interest rate borne by any Loan shall be reset hereunder, and with respect to any Loan, shall mean the first Business Day of each calendar month.

“*Rating Agency*” means any of S&P, Moody’s and/or Fitch, as context may require.

“*Reference Rate*” means on any day, the rate of interest per annum then most recently established by the Lender as its “prime rate.” Any such rate is a general reference rate of interest, may not be related to any other rate, may not be the lowest or best rate actually charged by the Lender to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Lender may make various business or other loans at rates of interest having no relationship to such rate. If the Lender ceases to exist or to establish or publish a prime rate from which the Reference Rate is then determined, the applicable variable rate from which the Reference Rate is determined thereafter shall be instead the prime rate reported in *The Wall Street Journal* (or the average prime rate if a high and a low prime rate are therein reported), and the Reference Rate shall change without notice with each change in such prime rate as of the date such change is reported.

“Relevant Governmental Body” means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

“Reimbursement Obligations” means the obligations of the Borrower under this Agreement to repay all Loans, together with interest thereon, pursuant to and in accordance with this Agreement.

“Related Documents” means this Agreement, the Notes, the Tax Certificate, the Resolutions, the Fiscal Agent Agreement and any other document or instrument related thereto or issued hereunder.

“Request for Revolving Loan” means any request for a Revolving Loan made by the Borrower to the Lender, in the form of Exhibit B hereto, executed and delivered on behalf of the Borrower by the manual or facsimile signature of a Designated Representative.

“Resolutions” has the meaning set forth in the Recitals hereto.

“Revenues” has the meaning set forth in the Master Subordinate Resolution.

“Revolving Loan” means, upon a Request for Revolving Loan, the revolving loan extended by the Lender to the Borrower under the applicable Commitment and the terms hereof for the payment of Costs of a Project, costs of issuance in connection with this Agreement or financing any other needs of the Borrower and the Department including, but not limited to, the refunding and restructuring of existing and future indebtedness of the Borrower.

“Revolving Loan Maturity Date” means, with respect to any Revolving Loan, the Termination Date.

“Risk-Based Capital Guidelines” means (a) the risk-based capital guidelines in effect in the United States on the Effective Date, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations adopted prior to the Effective Date.

“S&P” means S&P Global Ratings, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody’s or Fitch) designated by the Borrower with written notice to the Lender.

“Second Supplemental Subordinate Resolution” has the meaning set forth in the Recitals hereto.

“Senior Bonds” has the meaning set forth in the Master Subordinate Resolution.

“Senior Parity Debt” has the meaning set forth in the Master Subordinate Resolution.

“*SOFR*” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“*SOFR Administrator*” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“*Special Counsel*” means Kutak Rock LLP (or another nationally recognized law firm specializing in the field of municipal bonds that is selected by the Borrower).

“*State*” means the State of California.

“*Subordinate Obligations*” has the meaning set forth in the Master Subordinate Resolution.

“*Subordinate Revenues*” has the meaning set forth in the Master Subordinate Resolution.

“*Swap Contract*” means (a) any and all rate swap transactions, basis swaps, total return swaps, credit derivative transactions, forward rate transactions, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, cap transactions, floor transactions, collar transactions, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Tax Certificate*” means that certain Tax Compliance Certificate, dated the Effective Date, by the Borrower, relating to the Tax-Exempt Revolving Loans and Tax-Exempt Term Loans, as the same may be amended or supplemented from time to time.

“*Taxable Date*” means the date on which interest on any Tax-Exempt Loan is first includable in gross income of the Lender or any Noteholder thereof as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“*Taxable Gross-Up Rate*” means, with respect to a Taxable Period, the product of (a) the average interest rate on the Tax-Exempt Loan during such period and (b) the Taxable Rate Factor.

“*Taxable Loan*” and “*Taxable Loans*” means individually and collectively, Taxable Revolving Loans and Taxable Term Loans.

“Taxable Loan Commitment” means, on any date, an initial amount equal to \$250,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to each Revolving Loan made to the Borrower under the Tax-Exempt Loan Commitment and/or the Taxable Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan under the Tax-Exempt Loan Commitment and/or the Taxable Loan Commitment, as applicable, that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.10 or Section 8.2(c) hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; *provided* that, after giving effect to any of the foregoing adjustments the Taxable Loan Commitment shall never exceed \$250,000,000 at any one time.

“Taxable Note” has the meaning set forth in Section 2.13(b) hereof.

“Taxable Period” has the meaning set forth in Section 2.6 hereof.

“Taxable Rate Factor” means, for each day that the Taxable Gross-Up Rate is determined, the quotient of (i) one divided by (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day.

“Taxable Revolving Loan” means any Revolving Loan bearing interest at the Taxable Term SOFR Rate.

“Taxable Term Loan” means a Taxable Revolving Loan that is converted to a Term Loan pursuant to the terms of Section 2.17 hereof.

“Taxable Term SOFR Rate” has the meaning set forth in the Fee Letter.

“Taxes” means all present and future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, liabilities or other charges imposed by any applicable Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“Tax-Exempt Loan” and *“Tax-Exempt Loans”* means individually and collectively, Tax-Exempt Revolving Loans and Tax-Exempt Term Loans.

“Tax-Exempt Loan Commitment” means, on any date, an initial amount equal to \$250,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to each Revolving Loan made to the Borrower under the Tax-Exempt Loan Commitment and/or the Taxable Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan under the Tax-Exempt Loan Commitment and/or the Taxable Loan Commitment, as applicable, that is repaid or prepaid in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.10 or Section 8.2(c) hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the

terms hereof; *provided* that, after giving effect to any of the foregoing adjustments the Tax-Exempt Loan Commitment shall never exceed \$250,000,000 at any one time.

“*Tax-Exempt Note*” has the meaning set forth in Section 2.13(a) hereof.

“*Tax-Exempt Rate*” has the meaning set forth in the Fee Letter.

“*Tax-Exempt Revolving Loan*” means any Revolving Loan bearing interest at the Tax-Exempt Rate.

“*Tax-Exempt Term Loan*” means a Tax-Exempt Revolving Loan that is converted to a Term Loan pursuant to the terms of Section 2.17 hereof.

“*Termination Date*” means the earliest of (a) the Commitment Expiration Date, as such date may be extended pursuant to Section 2.11 hereof, (b) the date on which the Commitment and the Available Commitment are otherwise terminated or reduced to zero in accordance with Section 2.10 hereof, and (c) the date the Available Commitment terminates by its terms in accordance with Section 8.2(c) hereof.

“*Term Loan*” means both a Tax-Exempt Term Loan and a Taxable Term Loan.

“*Term SOFR*” means,

(a) for any calculation with respect to a Revolving Loan, the Term SOFR Reference Rate for a one-month tenor on the day (such day, the “*Periodic Term SOFR Determination Day*”) that is two (2) U.S. Government Securities Business Days prior to the first day of such period, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to any obligation bearing interest with reference to the Base Rate on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “*Base Rate Term SOFR Determination Day*”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has

not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

“Term SOFR Adjustment” means, at any time, the percentage per annum adjustment calculated by the Lender as the five-year historical median difference between LIBOR and SOFR for a one month tenor; *provided that*, initially, the Term SOFR Adjustment shall be a percentage equal to 0.11448% per annum based on the five-year historical median difference as of March 5, 2021 as published by Bloomberg.

“Term SOFR Administrator” means the CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Lender in its reasonable discretion).

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR.

“Termination Fee” has the meaning set forth in the Fee Letter.

“TIFIA Loan Agreement” means the TIFIA Loan Agreement, dated as of May 14, 2014, by and between the Borrower and the United States Department of Transportation, acting by and through the Federal Highway Administrator.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“United States” means the United States of America.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Section 1.2. Computation of Time Periods; California Time. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise specified herein, the word “from” means “from and including” and the words “till” and “until” each mean “to but excluding.” Unless specified otherwise, all references to time shall mean California time (daylight or standard, as applicable).

Section 1.3. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted United States accounting principles consistently applied.

Section 1.4. Terms Defined in Resolutions. Any capitalized term not defined herein shall have the meaning ascribed to such term in the Resolutions.

Section 1.5. Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (d) all references herein to Articles, Sections and Exhibits shall be construed to refer to Articles and Sections of, and Exhibits to, this Agreement.

ARTICLE II

FACILITIES; APPLICATION AND ISSUANCE OF THE LOANS; PAYMENTS

Section 2.1. Revolving Credit Commitments. Subject to the terms and conditions hereof, the Lender, by its acceptance hereof, agrees to make a Revolving Loan or Revolving Loans in U.S. Dollars to the Borrower from time to time on a revolving basis up to the amount of the Available Commitment, subject to any reductions thereof pursuant to the terms hereof, before the Termination Date. The sum of the aggregate principal amount of Tax-Exempt Loans and Taxable Loans at any time outstanding shall not exceed the Available Commitment in effect at such time. As provided in Section 2.3(c), the Borrower may elect that any such Revolving Loan be either a Tax-Exempt Loan pursuant to the Tax-Exempt Loan Commitment or a Taxable Loan pursuant to the Taxable Loan Commitment. Revolving Loans may be repaid and the principal amount thereof reborrowed before the Termination Date, subject to the terms and conditions hereof.

Section 2.2. Application. The Borrower hereby applies to the Lender for, and authorizes and instructs the Lender to issue for its account, the Commitment in an initial amount equal to the Initial Commitment Amount.

Section 2.3. Making of Revolving Loans; Use of Proceeds. (a) Subject to the terms and conditions of this Agreement, the Lender agrees to make Revolving Loans from time to time on any Business Day, commencing on the Effective Date and ending on the Termination Date, in amounts not to exceed at any time outstanding the Available Commitment; *provided* that the Lender shall not be required to make more than three Revolving Loans during any calendar month. Each Revolving Loan requested shall be in a minimum principal amount of \$1,000,000 or any integral multiples of \$250,000 in excess thereof. Each Revolving Loan shall be made

solely for the purpose of providing funds to pay Costs of a Project, costs of issuance in connection with this Agreement or financing any other needs of the Borrower and the Department including, but not limited to, the refunding and restructuring of existing and future indebtedness of the Borrower; *provided* that in no event shall any of the proceeds of a Tax-Exempt Loan be used to pay or prepay a Taxable Loan, unless the Borrower receives an Approving Opinion of Special Counsel, which shall also be addressed to the Lender or upon which the Lender is entitled to rely. The aggregate amount of all Revolving Loans made on any Advance Date shall not exceed the applicable Available Commitment (calculated without giving effect to any Revolving Loans made on such date) at 9:00 am California time on such date. The aggregate amount of all Revolving Loans bearing interest at a Tax-Exempt Rate made on any Advance Date shall not exceed the applicable Tax-Exempt Loan Commitment (calculated without giving effect to any Revolving Loans made on such date) at 9:00 am California time on such date. The aggregate amount of all Revolving Loans bearing interest at a Taxable Term SOFR Rate made on any Advance Date shall not exceed the applicable Taxable Loan Commitment (calculated without giving effect to any Revolving Loans made on such date) at 9:00 am California time on such date.

(b) *Reborrowing.* Within the limits of this Section 2.3, the Borrower may borrow, repay pursuant to Section 2.15 hereof and reborrow under this Section 2.3. Upon any prepayment of the related Revolving Loan, the related Available Commitment shall be reinstated as set forth in the definition thereof.

(c) *Method of Borrowing.* Upon receipt of a Request for Revolving Loan by the Lender not later than 9:00 a.m. California time on the Business Day which is three Business Days immediately prior to the day of the proposed borrowing, the Lender, subject to the terms and conditions of this Agreement, shall be required to make a Revolving Loan by 12:30 p.m. California time on such day of the proposed borrowing for the account of the Borrower in an amount equal to the amount of the requested borrowing. Notwithstanding the foregoing, in the event such Request for Revolving Loan is received by the Lender after 9:00 a.m. California time on the Business Day which is three Business Days immediately prior to the day of the proposed borrowing, the Lender shall be required to make the related Revolving Loan by 12:30 p.m. California time on the fourth Business Day after receipt of the related Request for Revolving Loan. Any Request for Revolving Loan shall be signed by a Designated Representative and shall specify whether the requested Revolving Loan shall be a Tax-Exempt Loan or a Taxable Loan. Pursuant to Section 2.14 hereof, the Lender shall determine the initial Tax-Exempt Rate or Taxable Term SOFR Rate, as applicable, for the Revolving Loan two Business Days prior to the related Advance Date. Each Revolving Loan shall be made by the Lender by wire transfer of immediately available funds to the Borrower in accordance with written instructions provided by the Borrower. If, after examination, the Lender shall have determined that a Request for Revolving Loan does not conform to the terms and conditions hereof, then the Lender shall use its best efforts to give notice to the Borrower to the effect that documentation was not in accordance with the terms and conditions hereof and stating the reasons therefor. The Borrower may attempt to correct any such nonconforming Request for Revolving Loan, if, and to the extent that, the Borrower is entitled (without regard to the provisions of this sentence) and able to do so.

Section 2.4. Interest Rate Determinations. The Lender shall promptly notify the Borrower of the Tax-Exempt Rate or Taxable Term SOFR Rate applicable to any Loan upon determination of such interest rate; *provided, however*, that the failure by the Lender to provide notice of the applicable interest rate shall not relieve the Borrower of its obligation to make payment of amounts as and when due hereunder. At any time that a Term Loan is outstanding, the Lender shall notify the Borrower of any change in the Reference Rate used in determining the Base Rate promptly following the establishment of such change; *provided, however*, that the failure by the Lender to provide notice of such change shall not relieve the Borrower of its obligation to make payment of amounts as and when due hereunder. Each determination by the Lender of an interest rate shall be conclusive and binding for all purposes, absent manifest error.

Section 2.5. Fees. The Borrower hereby agrees to perform the obligations provided for in the Fee Letter including, without limitation, the payment of the Commitment Fee, the Termination Fee, if any, and any and all other fees, expenses and other amounts provided for therein, at the times and in the amounts set forth in the Fee Letter. The terms and provisions of the Fee Letter are hereby incorporated herein by reference as if fully set forth herein. Notwithstanding anything herein to the contrary, all references to amounts or obligations due hereunder or in this Agreement shall be deemed to include all amounts and obligations (including, without limitation, all fees and expenses) under the Fee Letter.

Section 2.6. Taxability. (a) In the event a Taxable Date occurs, the Borrower hereby agrees to pay to the Lender or such other Noteholder of the Tax-Exempt Note on demand therefor (i) an amount equal to the difference between (A) the amount of interest that would have been paid to the Lender or such other Noteholder of the Tax-Exempt Note, as applicable, on any Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans during the period for which interest on such Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans, as applicable, is includable in the gross income of the Lender or such other Noteholder of the Tax-Exempt Note, as applicable, if such Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans, as applicable, had borne interest at the Taxable Gross-Up Rate, beginning on the Taxable Date (the “*Taxable Period*”), and (B) the amount of interest actually paid to the Lender or such other Noteholder of the Tax-Exempt Note, as applicable, during the Taxable Period, and (ii) an amount equal to any interest, penalties or charges owed by the Lender or such other Noteholder of the Tax-Exempt Note, as applicable, as a result of interest on the Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans becoming includable in the gross income of the Lender or such other Noteholder of the Note, as applicable, together with any and all reasonable attorneys’ fees, court costs, or other out-of-pocket costs incurred by the Lender or such other Noteholder of the Tax-Exempt Note, as applicable, in connection therewith, *provided* that the Lender or such other Noteholder of the Tax-Exempt Note reports to the Borrower the amounts of such interest, penalties, charges, attorneys’ fees, court costs or other out-of-pocket costs within 270 days of receipt of notification of a Determination of Taxability.

(b) Subject to the provisions of clauses (c) and (d) below, the Lender shall afford the Borrower the opportunity, at the Borrower’s sole cost and expense, to contest (i) the validity of any amendment to the Code which causes the interest on such Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loans to be includable in the gross income of the Lender or such other Noteholder of the Tax-Exempt Note or (ii) any challenge to the validity of the tax exemption

with respect to the interest on the Tax-Exempt Revolving Loans and/or the Tax-Exempt Term Loans, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(c) As a condition precedent to the exercise by the Borrower of its right to contest set forth in clause (b) above, the Borrower shall, on demand, immediately reimburse the Lender or such other Noteholder of the Tax-Exempt Note, as applicable, for any and all expenses (including reasonable attorneys' fees for services that may be required) that may be incurred by the Lender or such other Noteholder of the Tax-Exempt Note, as applicable, in connection with any such contest, and shall, on demand, immediately reimburse the Lender or such other Noteholder of the Tax-Exempt Note, as applicable, for any and all penalties or other charges payable by the Lender or such other Noteholder of the Tax-Exempt Note, as applicable, for failure to include such interest in its gross income.

(d) The obligations of the Borrower under this Section 2.6 shall survive the termination of the Commitment and this Agreement.

Section 2.7. Increased Costs; Capital Adequacy. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Lender or any Participant;

(ii) subject the Lender or any Participant to any Tax (except for Taxes on the overall net income or share capital of the Lender or any Participant) of any kind whatsoever with respect to this Agreement, the Fee Letter, the Commitment, the Loans or the Notes, or change the basis of taxation of payments to the Lender or such Participant in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 2.8 hereof and except for Excluded Taxes); or

(iii) impose on the Lender or any Participant any other condition, cost or expense affecting this Agreement, the Fee Letter, the Commitment, the Loans or the Notes; and the result of any of the foregoing shall be to increase the cost to the Lender or such Participant related to issuing or maintaining the Commitment, the Loans or holding the Notes, or to reduce the amount of any sum received or receivable by the Lender or such Participant hereunder, or under the Notes or the Fee Letter (whether of principal, interest or any other amount) then, upon written request of the Lender, the Borrower shall promptly pay to the Lender or such Participant, as the case may be, such additional amount or amounts as will compensate the Lender or such Participant, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Lender or any Participant determines that any Change in Law affecting the Lender or such Participant or the Lender's or such Participant's parent or holding company, if any, regarding capital requirements, has or would have the effect of reducing the rate of return to the Lender or such Participant or the Lender's or such Participant's

parent or holding company, if any, as a consequence of this Agreement, the Fee Letter, the Loans, the Notes or the Commitment, to a level below that which the Lender or such Participant or the Lender's or such Participant's parent or holding company could have achieved but for such Change in Law (taking into consideration such entities policies with respect to capital adequacy), then from time to time upon written request of the Lender, the Borrower shall promptly pay to the Lender or such Participant, as the case may be, such additional amount or amounts as will compensate the Lender or such Participant or the Lender's or such Participant's parent or holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Lender or a Participant setting forth the amount or amounts necessary to compensate the Lender or such Participant or the Lender's or such Participant's parent or holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay the Lender, such Participant or their parent or holding company, as the case may be, the amount shown as due on any such certificate within sixty (60) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of the Lender or any Participant to demand compensation pursuant to this Section shall not constitute a waiver of the Lender's or such Participant's right to demand such compensation. Notwithstanding anything contained in this Section 2.7, the Borrower shall have no liability to the Lender or any Participant or the Lender's or such Participant's parent or holding company for any increased costs, increased capital or reduction in rate of return to the extent incurred by or imposed on the Lender or any Participant or the Lender's or such Participant's parent or holding company more than one-hundred eighty (180) days prior to the date the above-described written demand is given to the Borrower with respect thereto (the "*Cut-Off Date*"), except where such increased costs, increased capital or reduction in rate of return apply to the Lender or Participant or the Lender's or such Participant's parent or holding company retroactively to a date prior to the Cut-Off Date.

(e) *Participants' Rights Hereunder.* Notwithstanding anything to the contrary in this Section 2.7, in the event the Lender grants any participation to any Participant under this Agreement, the Borrower will have no obligation to pay amounts pursuant to this Section 2.7 in an amount greater than that which it would have been required to pay if the Lender had not granted such participation.

(f) *Survival.* The obligations of the Borrower under this Section 2.7 shall survive the termination of the Commitment and this Agreement.

Section 2.8. Net of Taxes, Etc.

(a) *Payments Free of Taxes.* Any and all payments by or on account of any obligation of the Borrower hereunder or under the Notes or the Fee Letter shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes; *provided* that if the Borrower shall be required by Applicable Law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) to the fullest extent permitted by Applicable Law, the sum payable shall be increased as necessary so that after making all required deductions

(including deductions applicable to additional sums payable under this Section) the Lender or any Participant receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) *Payment of Other Taxes by the Borrower.* Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) *Indemnification by the Borrower.* The Borrower, to the fullest extent permitted by Applicable Law, shall indemnify the Lender and each Participant, within forty-five (45) days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Lender or any Participant and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; *provided* that the Borrower shall not be obligated to indemnify the Lender for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Lender's gross negligence or willful misconduct. The Lender agrees to give notice to the Borrower of the assertion of any claim against it relating to Indemnified Taxes and Other Taxes as promptly as reasonably practicable after being notified of such claim; *provided, however,* that the failure by the Lender to provide prompt notice shall not affect the Lender's or such Participant's rights under this Section 2.8. A certificate stating in reasonable detail the amount of such payment or liability delivered to the Borrower by the Lender shall be conclusive absent manifest error. In addition, the Borrower shall indemnify the Lender and each Participant, within forty-five (45) days after demand therefor, for any Taxes that may become payable by the Lender or any Participant as a result of any failure of the Borrower to pay any Taxes when due to the appropriate Governmental Authority or to deliver to the Lender or any Participant pursuant to paragraph (d) below, documentation evidencing the payment of Taxes.

Prior to claiming compensation pursuant to this paragraph (c), the Lender or any Participant, as applicable, will use reasonable efforts to investigate the alternatives (if any) for avoiding the need for, or the reduction of the amount of, such compensation, and the Lender or any Participant, as applicable, will take all reasonable steps to so avoid the need for, or reduce the amount of such compensation; *provided* that, neither the Lender nor the Participant is obligated to take any steps that are adverse to its business or operations or inconsistent with its policies.

(d) *Evidence of Payments.* As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.

(e) *Participants' Rights Hereunder.* Notwithstanding anything to the contrary in this Section 2.8, in the event the Lender grants any participation to any Participant under this Agreement, the Borrower will have no obligation to pay amounts pursuant to this Section 2.8 in an amount greater than that which it would have been required to pay if the Lender had not granted such participation.

(f) *Treatment of Certain Refunds.* If the Lender or any Participant determines that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified pursuant to this Section (including additional amounts paid by the Borrower pursuant to this Section), it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, under this Section with respect to the Taxes or Other Taxes giving rise to such refund) together with interest, if any, paid by the relevant Governmental Authority with respect to such refund; *provided* that the Borrower, upon the request of the Lender agrees to repay the amount paid over pursuant to this Section (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Lender or such Participant in the event the Lender or such Participant is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the Lender or any Participant be required to pay any amount to the Borrower pursuant to this paragraph (f) the payment of which would place the Lender or such Participant in a less favorable net after-Tax position than the Lender or such Participant would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require the Lender or any Participant to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

(g) *Survival.* The obligations of the Borrower under this Section 2.8 shall survive the termination of the Commitment and this Agreement.

Section 2.9. Payments and Computations. (a) The Borrower shall make or cause to be made all payments (including Reimbursement Obligations) due hereunder and under the Notes and the Fee Letter not later than 12:00 noon California time, on the day when due, in lawful money of the United States of America to the account of the Lender set forth in Section 9.2 hereof in immediately available funds; *provided, however*, that whenever any payment hereunder shall be due on a day that is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day, and any interest payable thereon shall be payable for such extended time. Payment received by the Lender after the applicable date and time set forth in this Section 2.9 shall be considered to have been made on the next succeeding Business Day.

(b) All computations of interest payable by the Borrower on Revolving Loans and Term Loans, including interest at the Default Rate, shall be computed on the basis of a year of 360 days and the actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof. All computations of fees payable by the Borrower hereunder or under the Fee Letter shall be made on the basis of a 360-day year but calculated on the actual number of days elapsed.

(c) Unless otherwise provided herein, any amount payable by the Borrower hereunder that is not paid when due shall bear interest at the Default Rate and shall be payable upon demand of the Lender.

(d) All amounts paid pursuant to this Agreement shall be non-refundable and shall be paid in immediately available funds.

Section 2.10. Reduction and Termination; Funding Indemnity. (a) Subject to the provisions of the Fee Letter, the Available Commitment shall be reduced from time to time as requested by the Borrower within three (3) days of the Borrower's written notice to the Lender requesting such reduction in the form of Exhibit E hereto; *provided* that (i) each such reduction amount shall be in an amount equal to \$1,000,000 or an integral multiple thereof, (ii) following such reduction, the Available Commitment shall not be less than the aggregate principal amount of all Loans outstanding on the date of such reduction, and (iii) any reduction in the Available Commitment shall not be effective until the Lender delivers to the Borrower a notice in the form attached hereto as Exhibit F reflecting such reduction; *provided, however*, that if the Lender does not deliver to the Borrower the notice reflecting such reduction within ten (10) Business Days of the receipt by the Lender of the Borrower's written notice of reduction, then the reduction shall be deemed effective as of the date set forth in the Borrower's written notice of such reduction.

(b) Subject to the provisions of the Fee Letter, the Borrower may at any time and at its sole option terminate the Commitment upon three (3) Business Days' prior written notice to the Lender. As a condition to any such termination, the Borrower shall pay or cause to be paid all Obligations owed to the Lender (other than Term Loans which shall be payable pursuant to the terms of Section 2.21 hereof) hereunder and under the Fee Letter.

(c) In the event the Lender shall incur any loss, cost or expense (including, without limitation, any loss, cost, or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired or contracted to be acquired by the Lender in order to make Revolving Loans hereunder or the re-lending or reinvesting of such deposits or other funds or amounts paid or prepaid to the Lender) as a result of any prepayment of a Revolving Loan or Term Loan on a date other than a Rate Reset Date for any reason, whether before or after default, and whether or not such payment is required by any provision of this Agreement or any other Related Document, then, upon the demand of the Lender, the Borrower shall pay to the Lender a prepayment premium in such an amount as will reimburse the Lender for such loss, cost or expense attributable to such event including an amount reasonably determined by the Lender to be the excess, if any, of (x) the amount of interest that would have accrued on the principal amount of such prepayment had such event not occurred, at the Adjusted Term SOFR (or any Benchmark Replacement selected in accordance with Section 2.27) rate that would have been applicable to such prepaid amount, for the period from the date of such event to the last day of the then current Interest Period therefor over (y) the amount of interest that would accrue on such principal amount for such period at the interest rate that the Lender would in good faith bid were it to bid, at the commencement of such period, for deposits of a comparable amount, currency and period from other banks in the Adjusted Term SOFR (or any Benchmark Replacement selected in accordance with Section 2.27) rate market. If the Lender requests a prepayment premium, it shall provide to the Borrower a certificate setting forth the computation of the loss,

cost or expense giving rise to the request for such premium in reasonable detail and such certificate shall, absent manifest error, be conclusive if reasonably determined. The Borrower shall pay the Lender the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

Section 2.11. Extension of Commitment Expiration Date. The Borrower may request an extension of the Commitment Expiration Date in writing in the form of Exhibit C hereto at any time up to one hundred eighty (180) days prior to the then current Commitment Expiration Date. The Lender will make reasonable efforts to respond to such request within thirty (30) days after receipt of all information necessary, in the Lender's judgment, to permit the Lender to make an informed credit decision. If the Lender fails to definitively respond to such request within such 30 day period, the Lender shall be deemed to have refused to grant the extension requested. The Lender may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Lender shall have consented thereto in writing in the form of Exhibit G hereto or otherwise. The Lender's consent, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Lender (which may include, but shall not be limited to the delivery of a "no adverse effect opinion" of Special Counsel to the Lender with respect to the tax-exempt status of the Tax-Exempt Loans).

ARTICLE II-B

REVOLVING LOANS

Section 2.12. Making of Revolving Loans. Each Revolving Loan shall be made by the Lender to the Borrower on the related Advance Date. Each Revolving Loan shall constitute a Subordinate Obligation under the Master Subordinate Resolution.

Section 2.13. Revolving Loans Evidenced by Notes. (a) The Tax-Exempt Revolving Loans shall be evidenced by a promissory note of the Borrower to the Lender in substantially the form set forth in Exhibit A-1 hereto (as amended or supplemented from time to time, the "*Tax-Exempt Note*") to be issued on the Effective Date, payable to the Lender in a principal amount up to the Available Commitment on the Effective Date and otherwise duly completed. All Tax-Exempt Revolving Loans made by the Lender and all payments and prepayments made on account of principal thereof shall be recorded by the Lender on the schedule (or a continuation thereof) attached to the Tax-Exempt Note, it being understood, however, that failure by the Lender to make any such endorsement shall not affect the obligations of the Borrower hereunder or under the Tax-Exempt Note in respect of unpaid principal and interest on any Tax-Exempt Revolving Loan. Each entry on the Tax-Exempt Note with respect to a Tax-Exempt Revolving Loan schedule shall reflect the applicable principal amount and the applicable interest rate.

(b) The Taxable Revolving Loans shall be evidenced by a promissory note of the Borrower to the Lender in substantially the form set forth in Exhibit A-2 hereto (as amended or supplemented from time to time, the "*Taxable Note*") to be issued on the Effective Date, payable to the Lender in a principal amount up to the Available Commitment on the Effective Date and

otherwise duly completed. All Taxable Revolving Loans made by the Lender and all payments and prepayments made on account of principal thereof shall be recorded by the Lender on the schedule (or a continuation thereof) attached to the Taxable Note, it being understood, however, that failure by the Lender to make any such endorsement shall not affect the obligations of the Borrower hereunder or under the Taxable Note in respect of unpaid principal and interest on any Taxable Revolving Loan. Each entry on the Taxable Note with respect to a Taxable Revolving Loan schedule shall reflect the applicable principal amount and the applicable interest rate.

Section 2.14. Interest on Revolving Loans. Each Revolving Loan made or maintained by the Lender shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 360 days and actual number of days elapsed) on the unpaid principal amount thereof at a rate per annum equal to the Tax-Exempt Rate or Taxable Term SOFR Rate, as applicable, for such Interest Period; *provided* that, the initial Tax-Exempt Rate or Taxable Term SOFR Rate, as applicable, for a particular Revolving Loan shall be determined by the Lender on the applicable Periodic Term SOFR Determination Date; *provided* that, the next succeeding Tax-Exempt Rate or Taxable Term SOFR Rate, as applicable, for such Revolving Loan shall be determined by the Lender on the Rate Reset Date immediately succeeding the Advance Date. Interest on each Revolving Loan shall be payable by the Borrower on each Interest Payment Date and on the Revolving Loan Maturity Date.

Section 2.15. Repayment of Revolving Loans. The principal of each Revolving Loan shall be repaid in full on the Revolving Loan Maturity Date; *provided* that if the conditions to the making of the Term Loan set forth in Section 2.18 hereof are satisfied on the Revolving Loan Maturity Date, the principal of all Revolving Loans shall be paid from the proceeds of the applicable Term Loan.

Section 2.16. Prepayment of Revolving Loans. The Borrower may prepay any Revolving Loan, in whole or in part, on an Interest Payment Date, *provided* at least three (3) days' written notice is provided by the Borrower to the Lender. Each such notice of optional prepayment shall be irrevocable and shall bind the Borrower to make such prepayment in accordance with such notice. All prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due pursuant to this Agreement including, but not limited to, amounts owed to the Lender pursuant to Section 2.10(c) hereof.

ARTICLE II-C

THE TERM LOAN

Section 2.17. Term Loan. The Borrower shall have the option to convert (a) the unpaid principal amount of any Taxable Revolving Loan to a Taxable Term Loan and (b) the unpaid principal amount of any Tax-Exempt Revolving Loan to a Tax-Exempt Term Loan, in each case on the Revolving Loan Maturity Date, if the conditions set forth in Section 2.18 hereof are satisfied on the Revolving Loan Maturity Date. Each Term Loan shall constitute a Subordinate Obligation under the Master Subordinate Resolution.

Section 2.18. Conditions Precedent to Term Loan. The obligation of the Lender to convert the principal amount owed for a Revolving Loan to a Taxable Term Loan or a Tax-Exempt Term Loan, as applicable, shall be subject to:

(a) The Borrower providing the Lender a certificate the form of which is attached hereto as Exhibit H (the “*Confirmation Certificate*”) on the Revolving Loan Maturity Date in a manner satisfactory to the Lender; and

(b) In the case of the conversion to a Tax-Exempt Term Loan, (A)(i) the Lender shall be satisfied that the opinion of Special Counsel delivered pursuant to Section 3.3(a) hereof remains in full force and effect with respect to such Tax-Exempt Term Loan or (ii) the Lender shall have received an opinion from Special Counsel dated the date of such Term Loan as to the exclusion of interest on the Tax-Exempt Term Loan from gross income for federal income tax purposes, in form and substance satisfactory to the Lender and (B) the Lender shall have received an opinion of Special Counsel in form and substance satisfactory to the Lender that such conversion will not adversely affect the tax exempt status of the interest on the Tax-Exempt Loans.

Section 2.19. Term Loans Evidenced by Notes. (a) The principal amount of the Tax-Exempt Term Loans shall also be evidenced by the Tax-Exempt Note. The Tax-Exempt Term Loans made by the Lender and all payments and prepayments on the account of the principal and interest of the Tax-Exempt Term Loans shall be recorded by the Lender on the schedule attached to the Tax-Exempt Note; *provided, however*, that the failure of the Lender to make any such endorsement or any error therein shall not affect the obligations of the Borrower hereunder or under the Tax-Exempt Note in respect of unpaid principal and interest on the Tax-Exempt Term Loans.

(b) The principal amount of the Taxable Term Loans shall also be evidenced by the Taxable Note. The Taxable Term Loans made by the Lender and all payments and prepayments on the account of the principal and interest of the Taxable Term Loans shall be recorded by the Lender on the schedule attached to the Taxable Note; *provided, however*, that the failure of the Lender to make any such endorsement or any error therein shall not affect the obligations of the Borrower hereunder or under the Taxable Note in respect of unpaid principal and interest on the Taxable Term Loans.

Section 2.20. Interest on Term Loan. The Taxable Term Loan shall bear interest from the Conversion Date to the date such Taxable Term Loan is paid in full therefor at a rate per annum equal to the Base Rate as determined by the Lender pursuant to Section 2.4 hereof. The Tax-Exempt Term Loan shall bear interest from the Conversion Date to the date such Tax-Exempt Term Loan is paid in full thereof at a rate per annum equal to the Base Rate as determined by the Lender pursuant to Section 2.4 hereof. Interest on each Term Loan shall be paid to the Lender monthly in arrears on each Interest Payment Date. Interest on each Term Loan shall be calculated on the basis of a year of 360 days based on the actual number of days elapsed.

Section 2.21. Repayment of Term Loan. The principal of each Term Loan shall be paid in installments payable on each Amortization Payment Date (each such payment, an “*Amortization Payment*”), with the final installment in an amount equal to the entire then-outstanding principal amount of such Term Loan to be paid in full on the Amortization End Date (the period commencing on the Conversion Date and ending on the Amortization End Date is herein referred to as the “*Amortization Period*”). Each Amortization Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Amortization Payments over the Amortization Period. Subject to Section 8.2(h) hereof, upon an Event of Default, the Lender may cause a mandatory redemption of the Notes by delivering a written notice to the Borrower that an Event of Default has occurred and is continuing and instructing the Borrower that the Notes are subject to mandatory redemption on any Business Day specified in such notice.

Section 2.22. Prepayment of Term Loan. The Borrower may prepay each Term Loan, in whole or in part, on any Business Day, without cost, penalty or premium, provided at least three (3) days’ written notice is provided by the Borrower to the Lender. Each such notice of optional prepayment shall be irrevocable and shall bind the Borrower to make such prepayment in accordance with such notice. All prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due pursuant to this Agreement, including, but not limited to, amounts owed to the Lender pursuant to Section 2.10(c).

ARTICLE II-D

NATURE OF OBLIGATIONS

Section 2.23. Liability of the Borrower. The Borrower and the Lender agree that the obligation of the Borrower to pay the Obligations are contractual obligations of the Borrower payable solely from the Subordinate Revenues and shall not be affected by, and the Lender shall not be responsible for, among other things, (i) the validity, genuineness or enforceability of this Agreement, the Notes or documents, notices or endorsements relating thereto (even if this Agreement or any documents, notices or endorsements relating thereto should in fact prove to be in any and all respects invalid, fraudulent or forged), (ii) the use to which the amounts disbursed by the Lender may be put, or (iii) any other circumstances or happenings whatsoever, whether or not similar to any of the foregoing.

Section 2.24. Maximum Interest Rate; Default Rate. (a) In the event that the rate of interest payable hereunder or under the Notes or the Fee Letter shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at such Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and thereof and (B) such Maximum Rate (the “*Excess Interest Amount*”), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof or in accordance with the Notes or the Fee Letter ceases to exceed such Maximum Rate, at which time the Borrower shall pay or cause to be paid to the Lender, with respect to amounts then payable to the Lender that are required to accrue interest hereunder or under the Notes or the Fee Letter, such portion of the deferred Excess Interest Amount as will cause the rate of interest then paid to the Lender, to

equal such Maximum Rate, which payments of deferred Excess Interest Amount shall continue to apply to such unpaid amounts hereunder and under the Notes and the Fee Letter until all deferred Excess Interest Amount is fully paid to the Lender. Notwithstanding the foregoing, on the date on which no principal amount with respect to the Loans remains unpaid, the Borrower shall pay to the Lender a fee equal to any accrued and unpaid Excess Interest Amount.

Section 2.25. Liability of the Lender. Neither the Lender nor any of its officers, directors, employees, representatives or agents shall be liable or responsible for (i) the use which may be made of any Loans or this Agreement or for any acts, omissions, errors, interruptions, delays in transmission, dispatch or delivery of any message or advice, however transmitted, of the Lender in connection with this Agreement, any Loans or the Notes, (ii) any action, inaction or omission which may be taken by the Lender in connection with this Agreement, any Loans or the Notes, (iii) the validity, sufficiency or genuineness of documents, or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged, (iv) payment by the Lender against presentation of documents which do not comply with the terms of this Agreement or a Request for Revolving Loan, including failure of any documents to bear any reference or adequate reference to this Agreement, or (v) any other circumstances whatsoever in making or failing to make payment under this Agreement or pursuant to a Request for Revolving Loan, except for acts or events described in the immediately preceding clauses (i) through (v), to the extent, but only to the extent, of any direct, as opposed to special, indirect, consequential or punitive, damages (the right to receive special, indirect, consequential or punitive damages being hereby waived) suffered by it which the Borrower proves were caused by (y) the Lender's willful misconduct or gross negligence in determining whether documents presented under this Agreement comply with the terms of this Agreement or (z) the Lender's failure to pay hereunder after the presentation to it of a Request for Revolving Loan strictly complying with the terms and conditions of this Agreement. The Borrower further agrees that any action taken or omitted by the Lender under or in connection with this Agreement or the related draft or documents, if done without willful misconduct or gross negligence, shall be effective against the Borrower as to the rights, duties and obligations of the Lender and shall not place the Lender under any liability to the Borrower. In furtherance and not in limitation of the foregoing, the Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

Section 2.26. Obligations Unconditional. Subject to Section 2.23 hereof, the Borrower's obligation to repay the Revolving Loans and the Term Loans and all of its other Obligations under this Agreement shall be absolute and unconditional under any and all circumstances, including without limitation: (a) any lack of validity or enforceability of this Agreement, the Notes, the Fee Letter or any of the other Related Documents; (b) any amendment or waiver of or any consent to departure from all or any of the Related Documents; (c) the existence of any claim, set off, defense or other right which the Borrower may have at any time against the Lender or any other person or entity, whether in connection with this Agreement, the other Related Documents, the transactions contemplated herein or therein or any unrelated transaction; or (d) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing; and irrespective of any setoff, counterclaim or defense to payment which the Borrower may have against the Lender, any Participant, or any other Person, including, without limitation, any defense based on the failure of any nonapplication or misapplication of the

proceeds of Revolving Loans hereunder, and irrespective of the legality, validity, regularity or enforceability of this Agreement, the Notes, the Fee Letter or any or all other Related Documents, and notwithstanding any amendment or waiver of (other than an amendment or waiver signed by the Lender explicitly reciting the release or discharge of any such obligation), or any consent to, or departure from, this Agreement, the Notes, the Fee Letter or any or all other Related Documents or any exchange, release, or nonperfection of any collateral securing the obligations of the Borrower hereunder; *provided, however*, that nothing contained in this Section 2.26 shall abrogate or otherwise affect the rights of the Borrower pursuant to Section 2.25 hereof.

Section 2.27. Unavailability of Rate. (a) If on or prior to the first day of any month for any Revolving Loan:

(i) the Lender determines that deposits in U.S. Dollars (in the applicable amounts) are not being offered to it in the interbank eurodollar market for a tenor of one month, as applicable, or that by reason of circumstances affecting the interbank eurodollar market adequate and reasonable means do not exist for ascertaining the applicable Term SOFR, *provided* that no Benchmark Transition Event shall have occurred at such time; or

(ii) the Lender advise the Borrower that (A) Term SOFR as determined by the Lender will not adequately and fairly reflect the cost of funding the Revolving Loans, for such one month tenor, or (B) that the making or funding of Revolving Loans become impracticable,

then the Lender shall forthwith give notice thereof to the Borrower, whereupon until the Lender notifies the Borrower that the circumstances giving rise to such suspension no longer exist, any notice that requests the conversion of any Term Loan to, or any continuation of any Term Loan as, a Revolving Loan shall be ineffective.

(b) *Effect of Benchmark Transition Event.*

(i) *Benchmark Replacement.* Notwithstanding anything to the contrary herein or in any other Related Document, upon the occurrence of a Benchmark Transition Event, the Lender and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.27(b) will occur prior to the applicable Benchmark Transition Start Date.

(ii) *Benchmark Replacement Conforming Changes.* In connection with the implementation of a Benchmark Replacement, the Lender will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Related Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(iii) *Notices; Standards for Decisions and Determinations.* The Lender will promptly notify the Borrower of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. The Lender will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.27(b)(iv). Any determination, decision or election that may be made by the Lender pursuant to Section 2.27(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to Section 2.27(b).

(iv) *Unavailability of Tenor of Benchmark.* Notwithstanding anything to the contrary herein or in any other Related Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Lender in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Lender may modify this Agreement for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Lender may modify this Agreement for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) *Benchmark Unavailability Period.* Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a conversion to or continuation of Revolving Loans to be converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a conversion to a Term Loan bearing interest at the Base Rate. During any Benchmark Unavailability Period, the component of Term Loans based upon Term SOFR will not be used in any determination of the Base Rate.

ARTICLE III

CONDITIONS PRECEDENT TO EFFECTIVENESS

This Agreement shall become effective on the date (the "*Effective Date*") when each of the following conditions has been fulfilled to the satisfaction of the Lender. Unless otherwise provided herein, the Effective Date shall be July 12, 2016.

Section 3.1. Representations. On the Effective Date, (a) there shall exist no Default or Event of Default; (b) all representations and warranties made by the Borrower herein or in any of the Related Documents to which it is a party shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) with the same effect as though such representations and warranties had been made at and as of such time or except as previously disclosed to the Lender in writing, and any other documents, provided by the Borrower to the Lender; (c) no material adverse change shall have occurred in the condition (financial or otherwise) or operations of the Department between the date of the Department's most recent audited financial statements and the Effective Date, and no transactions or obligations having a Material Adverse Effect on the ability of the Borrower to receive Subordinate Revenues or its ability to perform its obligations hereunder or under the Notes, the Fee Letter and under the other Related Documents, whether or not arising from transactions in the ordinary course of the Department's business, shall have been entered into by the Borrower, subsequent to the date of the Department's most recent audited financial statements; and (d) no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the Department between the date of the Department's most recent audited financial statements and the Effective Date which could reasonably be expected to result in a Material Adverse Effect with respect to the execution and delivery of the Agreement, the issuance of any of the Notes, the security for any of the Notes, or the Borrower's ability to repay when due its obligations under this Agreement, any of the Notes, the Fee Letter and the Related Documents.

Section 3.2. Other Documents. (a) On the Effective Date, the Lender shall have received copies of each of the following documents, which documents shall be in full force and effect on the Effective Date in a form satisfactory to the Lender:

- (i) the Master Subordinate Resolution, certified by the Executive Secretary of the Board of Harbor Commissioners of the City of Long Beach;
 - (ii) the Second Supplemental Subordinate Resolution, certified by the Executive Secretary of the Board of Harbor Commissioners of the City of Long Beach;
 - (iii) the Fifth Supplemental Subordinate Resolution, certified by the Executive Secretary of the Board of Harbor Commissioners of the City of Long Beach;
 - (iv) original executed copies of this Agreement and the Notes;
 - (v) an original executed copy of the Fee Letter;
 - (vi) an executed copy of the Tax Certificate relating to the Tax-Exempt Note;
- and
- (vii) executed or certified copies, as applicable, of the other Related Documents.

In addition to the foregoing, the Notes shall not be (I) assigned a separate rating by any Rating Agency or (II) registered with The Depository Trust Company or any other securities depository and no offering document or official statement shall be prepared with respect to the Notes.

(b) All filings, recordings, re-filings and re-recordings shall have been made, notices given, all filing fees, taxes and expenses in connection therewith shall have been paid and all such action shall have been taken, which are necessary or advisable on the Effective Date.

(c) The Lender shall have received evidence reasonably satisfactory to it that the Borrower's Revolving Credit Agreements with Bank of America, N.A., and with MUFG Union Bank, N.A., in effect immediately prior to the Effective Date, shall have terminated and all amounts owed to the respective lenders thereunder shall have been repaid in full.

Section 3.3. Legal Opinions. The Lender shall have received legal opinions, in form and substance satisfactory to the Lender, addressed to the Lender (or upon which the Lender is authorized to rely) and dated the Effective Date, of:

- (a) Special Counsel (including, but not limited to, an opinion regarding the tax-exempt nature of the Tax-Exempt Loans); and
- (b) Counsel to the Borrower/City Attorney.

Section 3.4 Supporting Documents of the Borrower. There shall have been delivered to the Lender such information and copies of documents, approvals (if any) and records certified, where appropriate, of corporate and legal proceedings as the Lender may have requested relating to the Borrower's entering into and performing this Agreement and the other Related Documents to which it is a party, and the transactions contemplated hereby and thereby. Such documents shall, in any event, include:

- (a) A certificate of the Borrower, in form and substance satisfactory to the Lender, executed by an executive officer of the Borrower, dated the Effective Date, to the effect that the conditions set forth in this Agreement have been satisfied as of such date and that all actions required to be taken by, and all resolutions required to be adopted by, the Borrower, any Governmental Authority having jurisdiction over the Borrower, the State and otherwise required by Applicable Law have been done and adopted in due and strict compliance by the Borrower, any such Governmental Authority and the State pursuant to such entity's articles of organization and by-laws, the Constitution of the State, the Law and any other Applicable Law;
- (b) An incumbency and signature certificate with respect to the officers or agents of the Borrower who are authorized to execute any documents or instruments on behalf of the Borrower under this Agreement and the other Related Documents to which the Borrower is a party;

(c) Copies of the Law and any organizational documents related to the Borrower, certified by an authorized officer thereof that, among other things, such documents are in full force and effect on the Effective Date; and

(d) Copies of the current Investment Policy of the Borrower.

Section 3.5. Other Supporting Documents. There shall have been delivered to the Lender such information and copies of documents, approvals (if any) and records (certified, where appropriate) of corporate and legal proceedings as the Lender may have requested relating to the entering into and performance by each of the parties (other than the Lender) thereto, of each of the Related Documents or the transactions contemplated thereby or the tax exempt status of the Tax-Exempt Loans and the Tax-Exempt Note.

Section 3.6. Other Closing Documents. The Lender shall have received (a) an executed copy of all documents required to be furnished by or to the Borrower, or any other party, as a condition to (i) the execution and delivery of this Agreement and the Fee Letter and the issuance of the Notes pursuant to the Resolutions and (ii) the due authorization, execution and delivery by the parties thereto (other than the Borrower) of the Related Documents, (b) the Governmental Approvals required in connection with the documents described in the preceding sub-clause (a), and (c) certificates of duly authorized officers of such other parties certifying the names, titles and true signatures of such officers authorized to sign the Related Documents (excluding the Resolutions) including, without limitation, the officers of the Fiscal Agent authorized to authenticate the Notes.

Section 3.7. Financial Statements. Audited financial statements for the Department for the two (2) most recently available Fiscal Years and the most recent operating budget for the Department for the current Fiscal Year.

Section 3.8. Ratings. The Lender has received satisfactory evidence that the Senior Bonds shall have been given ratings, respectively, of “AA” by S&P, and “AA” by Fitch.

Section 3.9. Payment of Fees and Expenses. Evidence that the fees and expenses and all other amounts (including attorneys’ fees and expenses of the Lender) payable hereunder and under the Fee Letter on the Effective Date shall have been paid by the Borrower, unless other arrangements acceptable to the Lender and its counsel have been made.

Section 3.10. Proceedings. The Lender shall have received such other documents, instruments, approvals (and, if requested by the Lender, certified duplicates or executed copies thereof) or opinions as the Lender may reasonably request.

In addition, the Lender shall have made a reasonable determination that, as of the Effective Date, (A) no laws, rules, guidelines, rulings, regulations (or their interpretation or administration) or other action of the United States of America or the State or any political subdivision or authority therein or thereof shall be in effect or shall have occurred that could reasonably be expected to have a Material Adverse Effect with respect to the Borrower’s ability to receive Subordinate Revenues or its ability to perform its obligations under this Agreement,

the Fee Letter, the Notes or the other Related Documents or (B) no change in the status of the business, operations or condition (financial or otherwise) of the Borrower, the Department or the Port has occurred that could reasonably be expected to have a Material Adverse Effect with respect to the Borrower's ability to receive Subordinate Revenues or its ability to perform its obligations under this Agreement, the Fee Letter, the Notes or the other Related Documents. The execution and delivery of this Agreement and the Fee Letter by the Lender shall be deemed satisfaction of all conditions specified in this Article III or waiver thereof by the Lender.

ARTICLE IV

CONDITIONS PRECEDENT TO EACH REVOLVING LOAN

Section 4.1. Conditions Precedent to Each Revolving Loan. The obligation of the Lender to make a Revolving Loan on any date is subject to the conditions precedent that on the date of such Revolving Loan:

- (a) The Lender shall have received a Request for Revolving Loan, substantially in the form of Exhibit B hereto and otherwise satisfying the conditions specified therefor in Section 2.3(c) hereof;
- (b) The representations and warranties made by the Borrower in Article V hereof and in each other Related Document (excluding any representation or warranty which, by its terms, is no longer true and correct due to the passage of time and/or a change in circumstances) shall be true and correct in all material respects on and as of such date, as if made on and as of such date;
- (c) No Default or Event of Default shall have occurred and be continuing or would result from such proposed Revolving Loan or from the application of the proceeds thereof;
- (d) After giving effect to any Request for Revolving Loan, the aggregate principal amount of all Loans Outstanding hereunder shall not exceed the Available Commitment;
- (e) With respect to a Tax-Exempt Revolving Loan, the Lender shall be satisfied that the opinion of Special Counsel delivered pursuant to Section 3.3(a) hereof remains in full force and effect or else the Lender shall have received an opinion from Special Counsel, addressed to the Lender and dated the date of the related Request for Revolving Loan, as to the exclusion of interest on the Tax-Exempt Loan from gross income for federal income tax purposes, in form and substance satisfactory to the Lender;
- (f) The Commitment and the obligation of the Lender to make Loans hereunder shall not have terminated pursuant to Section 2.10 hereof or pursuant to Section 8.2 hereof; and

(g) The extension of such Revolving Loan shall not violate any order, judgment or decree of any court or authority of competent jurisdiction or any provision of law as then in effect.

Unless the Borrower shall have otherwise previously advised the Lender in writing, delivery to the Lender of a Request for Revolving Loan shall be deemed to constitute a representation and warranty by the Borrower that, on the date of such Request for Revolving Loan and on the Advance Date, each of the conditions specified in this Article IV has been satisfied on the date of such Request for Revolving Loan and on the Advance Date.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into this Agreement, the Borrower makes the following representations and warranties to the Lender:

Section 5.1. Organization, Powers, Etc. (a) The City is a charter city and municipal corporation organized and existing under its Charter and the Constitution and laws of the State of California and other Laws, (b) the Department is a proprietary department of the City under the exclusive control and management of the Board, a commission duly established and existing under the Charter, and (c) the Borrower (i) has full power and authority to own its properties and carry on its business as now conducted, (ii) has (or, if already executed or adopted, had at the time of execution or adoption) full power and authority to execute (or adopt, if applicable), deliver and perform its obligations under this Agreement and the other Related Documents, to borrow hereunder and to execute, deliver and perform its obligations hereunder and under the Fee Letter, the Notes and the other Related Documents and to repay the Obligations, and (iii) may only contest the validity or enforceability of any provision of, or deny that the Borrower has any liability or obligation under this Agreement, the Law, the Fee Letter, the Notes or any other Related Document by an act of its governing body.

Section 5.2. Authorization, Absence of Conflicts, Etc. The execution (or adoption, if applicable), delivery and performance of this Agreement, the Fee Letter, the Notes and the other Related Documents (a) have been duly authorized, executed and delivered or, if applicable, adopted by the Borrower, (b) do not and will not, to any material extent, conflict with, or result in violation of, any Applicable Law, including the Law, or any order, rule or regulation of any court or other Government Authority and (c) do not and will not, to any material extent, conflict with, result in a violation of or constitute a default under, the Master Senior Resolution or the Resolutions or any other resolution, agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property is bound.

Section 5.3. Governmental Consent or Approval. The execution (or adoption, if applicable), delivery and performance of this Agreement, the Fee Letter, the Notes and the other Related Documents do not and will not require registration with, or the consent or approval of, or any other action by, any federal, state or other Governmental Authority or regulatory body other

than those which have been made or given and are in full force and effect; *provided* that no representation is made as to any blue sky or securities law of any jurisdiction.

Section 5.4. Binding Obligations. This Agreement, the Notes, the Fee Letter and the other Related Documents are legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws, judicial discretion and principles of equity relating to or affecting creditors' rights or contractual obligations generally or limitations on remedies against public entities in the State.

Section 5.5. Litigation. There is no action or investigation pending or, to the knowledge of the Borrower, threatened, against the Borrower before any court or other Governmental Authority which questions the validity of any act or the validity of any proceeding taken by the Borrower in connection with the execution and delivery of this Agreement, the Fee Letter, the Notes or the other Related Documents, or wherein an unfavorable decision, ruling or finding would in any way adversely affect (a) the validity or enforceability of this Agreement, the Fee Letter, the Notes or the other Related Documents, (b) the validity, enforceability or perfection of the pledge of and lien on the Subordinate Revenues or on the amounts held in funds, accounts and subaccounts under the Resolutions, (c) the status of the City as a municipal corporation and chartered city organized and existing under its Charter and the Constitution and other Applicable Laws of the State of California or the Board as a commission existing under the Charter, or (d) the exemption of interest on the Tax-Exempt Revolving Loans or the Tax-Exempt Term Loans from the gross income of the recipients thereof for federal income tax purposes. To the knowledge of the Borrower, there is no action pending or threatened, which questions the validity of the Law nor is there any pending initiative or referendum qualified for the ballot which would seek to amend, annul, modify or replace the Law or the Resolutions.

Section 5.6. Financial Condition. All of the Department's financial statements that have been furnished to the Lender have been prepared in conformity with GAAP (except as noted therein) and are comprised of a balance sheet and a statement of revenues and expenditures and changes in fund balances. All of such financial statements accurately present, in all material respects, the financial condition of the Department, including the Subordinate Revenues as of the dates thereof, and there have been no changes in the business, operations or condition (financial or otherwise) of the Borrower, the Department or the Port, or the management or operation of the Department or the Port, since the dates of said financial statements that could reasonably be expected to result in a Material Adverse Effect on the ability of the Borrower to receive Subordinate Revenues or its ability to perform its obligations hereunder or under the Notes, the Fee Letter and under the other Related Documents.

Section 5.7. Tax-Exempt Status of Tax-Exempt Loans. The Borrower has not taken any action and knows of no action that any other Person has taken which would cause interest on the Tax-Exempt Loans to be included in the gross income of the recipients thereof for federal income tax purposes.

Section 5.8. Related Documents. Each of the Related Documents is in full force and effect. Except as previously disclosed in writing to the Lender prior to the Effective Date, no

event of default and no event which, with the giving of notice, the passage of time or both, would constitute an event of default, presently exists under any of the Related Documents. Except as previously disclosed in writing to the Lender prior to the Effective Date, neither the Borrower nor any other party thereto has waived or deferred performance of any material obligation under any Related Document.

Section 5.9. Incorporation of Representations and Warranties. In addition to the representations and warranties set forth herein, the Borrower hereby makes to the Lender the same representations and warranties as are set forth by the Borrower in each of the other Related Documents, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference for the benefit of the Lender with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. The representations and statements made by the Borrower herein and therein are true and correct as of the date of this Agreement. No amendment to such representations and warranties or definitions which could reasonably be expected to have a Material Adverse Effect with respect to the ability of the Borrower to meet its obligations hereunder or under the other Related Documents or the rights or security of the Lender hereunder or under the other Related Documents shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Lender.

Section 5.10. Margin Regulations. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of the Loans or the Notes or any amounts furnished by the Lender will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock.

Section 5.11. No Event of Default. No Event of Default or Default has occurred and is continuing.

Section 5.12. Security; Pledge of Subordinate Revenues Securing Obligations. The Obligations and the Notes are secured by a first lien on and pledge of Subordinate Revenues pursuant to Section 5.01 of the Master Subordinate Resolution. The pledge of the Subordinate Revenues under the Resolutions securing the payment of the Obligations and the principal of and interest on the Notes is a valid and binding obligation of the Borrower, on a pari passu basis with the holders of all Subordinate Obligations, subject to any applicable bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws, judicial decisions and principles of equity relating to or affecting creditors' rights or contractual obligations generally or limitations of remedies against public entities in the State. No filing, registration, recording or publication of the Resolutions or any other instrument nor any prior separation or physical delivery of the Subordinate Revenues is required to establish the pledge provided for under the Resolutions or to perfect, protect or maintain the Lien created thereby on the Subordinate Revenues and amounts held under the Resolutions in funds, accounts or subaccounts to secure the Obligations and the Notes. As of the Effective Date, there is no Debt of the Borrower payable from or secured by the Subordinate Revenues or amounts held in funds, accounts or subaccounts under the Resolutions or any portion thereof on a basis that is on a parity with the Obligations other than the Subordinate Obligations.

Section 5.13. Sovereign Immunity. The Borrower is subject to claims and to suit for damages in connection with its obligations under this Agreement and the other Related Documents pursuant to and in accordance with the laws of the State applicable to public entities such as the Borrower, provided that a claimant shall be required to comply with the provisions of the Tort Claims Act set forth in California Government Code Section 810 *et seq.* in tort or contract suits, actions or proceedings brought against the Borrower.

Section 5.14. Accurate Information. All information, reports and other papers and data with respect to the Borrower furnished to the Lender, at the time the same were so furnished, were accurate in all material respects. Any financial, budget and other projections furnished to the Lender were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections.

Section 5.15. Maximum Rate. The terms of the Related Documents (including the Notes) regarding the calculation of interest and fees do not violate any Applicable Laws.

Section 5.16. No Proposed Legal Changes. There is no amendment or, to the knowledge of the Borrower, no proposed amendment certified for placement on a statewide or local ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any Applicable Laws, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, which could reasonably be expected to have a Material Adverse Effect on the ability of the Borrower to receive Subordinate Revenues or its ability to perform its obligations hereunder or under the Notes, the Fee Letter and under the other Related Documents.

Section 5.17. Valid Lien. The Borrower's irrevocable pledge of and the lien on the Subordinate Revenues and amounts hereunder and under the Resolutions and in the funds, accounts and subaccounts established and maintained under the Resolutions to and for the payment of the Obligations of the Borrower under this Agreement and the Fee Letter and for the payment of the Reimbursement Obligations and the Notes is valid and binding and no further acts, instruments, approvals or consents are necessary for the creation, validity or perfection thereof. The provisions of the Resolutions constitute a contract between the Borrower and the Lender subject to the provisions of the Resolutions, and the Lender may, at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by the Borrower as a result of issuing the Notes.

Section 5.18. ERISA. The Borrower is not subject to ERISA. The Borrower has no funding deficiency with respect to any employee benefit plan which could reasonably be expected to materially and adversely affect the ability of the Borrower to perform its obligations hereunder or under any other Related Documents to which it is a party, and the Borrower is otherwise in compliance with terms of any such plan in which the Borrower or any of its employees participate to the extent any such failure to comply could reasonably be expected to materially and adversely affect the ability of the Borrower to perform its obligations hereunder or under any other Related Documents to which it is a party.

Section 5.19. Solvency. After giving effect to the issuance of the Notes and the other obligations contemplated by this Agreement, the Borrower is solvent, having assets of a fair value which exceeds the amount required to pay its debts (including contingent, subordinated, unmatured and unliquidated liabilities) as they become absolute and matured, and the Borrower is able to and anticipates that it will be able to meet its debts as they mature and has adequate capital to conduct its business in which it is engaged.

Section 5.20. Environmental Laws. The Borrower and its properties (a) have not become subject to any Environmental Liability nor does it know of any basis for any Environmental Liability, (b) have not received notice to the effect that any of the Borrower's properties or its operations are not in compliance with any of the requirements of any Environmental Laws or any applicable federal, state or local health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any Hazardous Materials into the environment, and (c) to the best of the knowledge of the Borrower, is in compliance with all Environmental Laws and has obtained and maintains or complies with any permit, license or other approval required under any Environmental Law, in each of (a), (b) and (c) above, except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect on the ability of the Borrower to receive Subordinate Revenues or its ability to perform its obligations hereunder or under the Notes, the Fee Letter and under the other Related Documents.

Section 5.21. Investment Policy. The Borrower has neither made any investment nor entered into any agreements for the purpose of effecting any investment which are not permitted pursuant to the Resolutions and any other Related Document or is contrary to the Investment Policy.

Section 5.22. Binding Effect. This Agreement, the Resolutions and the other Related Documents constitute legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally, by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law and by limitations on legal remedies against public agencies in the State. The Notes will be duly issued, executed and delivered in conformity with the Law and the Resolutions, and constitute legal, valid and binding special, limited obligations of the Borrower, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally, by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law and by limitations on legal remedies against public agencies in the State, and entitled to the benefit and security of the Resolutions.

Section 5.23. Swap Termination Payments. The Borrower is not a party to any Swap Contract that provides that any termination payment thereunder is payable from or secured by Subordinate Revenues on a basis that is senior to or on parity with the lien securing the Notes or the Loans.

Section 5.24. Usury Limits. The terms of this Agreement, the Notes, the Fee Letter and the other Related Documents regarding calculation and payment of interest and fees do not violate any applicable usury laws.

ARTICLE VI

AFFIRMATIVE COVENANTS OF THE BORROWER

Section 6.1. Affirmative Covenants of the Borrower. So long as the Commitment is outstanding and until all Obligations shall have been paid in full, the Borrower hereby covenants and agrees, that:

(a) *Notice of Default.* As promptly as practical after the date the Borrower shall have obtained knowledge of the occurrence of a Default or an Event of Default or a breach of this Agreement or any other Related Document, the Borrower will provide notice of the same to the Lender and, in each such case the Borrower will provide to the Lender the written statement of the Borrower setting forth the details of each such event and the action which the Borrower proposes to take with respect thereto.

(b) *Reporting Requirements.* The Borrower will provide the following to the Lender:

(i) within two hundred ten (210) calendar days after the end of each Fiscal Year of the Department, the Borrower will provide to the Lender (I) the audited financial statements of the Department consisting of a balance sheet and a statement of revenues, expenditures and changes in fund balances of the Department, including the Subordinate Revenues for such Fiscal Year, setting forth in comparative form the corresponding figures (if any) for the preceding Fiscal Year, all in reasonable detail, and accompanied by an unqualified opinion of a nationally recognized independent certified public accounting firm stating that they have been prepared in accordance with GAAP, and (II) a certification from the Executive Director, the Managing Director-Finance and Administration or the Chief Financial Officer addressed to the Lender stating that (1) neither a Default nor an Event of Default has occurred which was continuing at the end of such Fiscal Year or on the date of such certification, or, if such an event has occurred and was continuing at the end of such Fiscal Year or on the date of such certification, indicating the nature of such event and the action which the Borrower proposes to take with respect thereto, and (2) the representations and warranties of the Borrower contained in this Agreement and in each of the other Related Documents are true and correct on and as of the date of such certification as though made on and as of such date;

(ii) promptly after process has been served on the Borrower, the Borrower will provide to the Lender written notice of any action, suit or proceeding before any court or other Governmental Authority in which there is a reasonable probability of an adverse decision which could (A) materially

adversely affect the business, financial position or results of operations of the Department or the Port, the management or operation of the Department or the Port or the ability of the Borrower to perform its obligations hereunder or under the Notes, the Fee Letter or any other Related Document or (B) draw into question the validity or enforceability of this Agreement, the Notes, the Fee Letter or any other Related Document;

(iii) within ten (10) calendar days after the issuance and delivery of any additional Subordinate Obligations, Senior Bonds or Senior Parity Debt, the Borrower will provide to the Lender a copy of any official statement, offering memorandum or other disclosure documents relating to the offering of any Senior Bonds, Senior Parity Debt or Subordinate Obligations;

(iv) as soon as available but, in any event, within ten (10) calendar days after the issuance and delivery of any additional Subordinate Obligations, Senior Bonds or Senior Parity Debt, the Borrower will provide to the Lender notice of such additional issuance;

(v) as soon as available but, in any event, within ten (10) calendar days after obtaining knowledge thereof, the Borrower will provide to the Lender written notice of any change (downgrade, suspension or withdrawal) in the long-term ratings assigned by a Rating Agency to unenhanced Senior Bonds;

(vi) as soon as possible after the Borrower acquires knowledge of the occurrence of (A) the filing of any initiative or referendum which could lead to the diminution or reallocation of the Subordinate Revenues or any portion thereof or (B) any other event which, in the reasonable judgment of the Borrower, could reasonably be expected to have a Material Adverse Effect on the ability of the Borrower to receive Subordinate Revenues or its ability to perform its obligations under this Agreement, the Notes, the Fee Letter or under any other Related Document, the Borrower will provide written notice thereof to the Lender;

(vii) the Borrower will promptly furnish, or cause to be furnished, to the Lender (A) each notice required to be given by the Borrower to the Lender pursuant to the Resolutions and (B) each amendment to the Resolutions (excluding those amendments that require the consent of the Lender);

(viii) as soon as available, the Borrower will provide the Lender a copy of the Department's annual budget; and

(ix) the Borrower will provide the Lender, from time to time, such additional information regarding the financial position, operations, business or prospects of the Department or the Port, and the operation and management of the Department or the Port, as may be in the possession of the Borrower and the Department, as the Lender may reasonably request.

(c) *Use of Proceeds.* The Borrower shall use the proceeds of the Loans for the purposes set forth in the Master Subordinate Resolution and the Second Supplemental Subordinate Resolution.

(d) *Inspections; Discussion.* The Borrower will permit the Lender or its representatives, at any reasonable time during normal business hours and from time to time at the request of the Lender to the extent that the Borrower is not legally precluded from permitting access thereto: to visit and inspect the properties of the Department; to examine and make copies of and take abstracts from the records and books of account of the Department; and to discuss the affairs, finances and accounts of the Department including, without limitation, the management and operation of the Department and the Port, with the appropriate officers of the Borrower or the Department; *provided* that, if required by the Borrower, as a condition to the Lender being permitted by the Borrower to make or conduct any such visit, inspection, examination or discussion, the Lender shall certify to the Borrower that the same is being made or conducted solely in order to assist the Lender in evaluating its position under this Agreement, the Fee Letter, the Notes or the other Related Documents.

(e) *Further Assurances.* The Borrower shall take any and all actions necessary or reasonably requested by the Lender to (i) perfect and protect, any lien, pledge or security interest or other right or interest given, or purported to be given to the Lender or any other Person under or in connection with this Agreement or the other Related Documents, (ii) enable the Lender to exercise or enforce its rights under or in connection with this Agreement and the other Related Documents or (iii) enable the Lender or any Noteholder to assign or pledge a Note to any Federal Reserve Bank.

(f) *Taxes and Liabilities.* The Borrower shall pay all its Debt and obligations promptly and in accordance with their terms and pay and discharge or cause to be paid and discharged promptly all taxes, assessments and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, real, personal or mixed, or upon any part thereof, before the same shall become in default, which default could reasonably be expected to result in a Material Adverse Effect on the ability of the Borrower to receive Subordinate Revenues or its ability to perform its obligations hereunder or under the Notes, the Fee Letter and under the other Related Documents; *provided* that the Borrower shall have the right to defer payment or performance of obligations to Persons other than the Lender so long as it is contesting in good faith the validity of such obligations by appropriate legal action and no final order or judgment has been entered with respect to such obligations.

(g) *Incorporation of Covenants.* The covenants of the Borrower set forth in each of the Related Documents to which the Borrower is a party are hereby incorporated by reference in this Agreement for the benefit of the Lender. To the extent that any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion, report or other instrument or any event or condition be acceptable or satisfactory to any Person, for purposes of this Agreement, such compliance shall be waived, or such provision shall be consented to, only if it is

waived or consented to, as the case may be, by the Lender and such document, opinion, report or other instrument shall be acceptable or satisfactory to the Lender. No amendment to such covenants (or the defined terms relating thereto) made pursuant to the Related Documents, which could reasonably be expected to have a Material Adverse Effect on the ability of the Borrower to receive Subordinate Revenues or its ability to perform its obligations hereunder or under the Notes, the Fee Letter and under the other Related Documents shall be effective to amend such incorporated covenants without the prior written consent of the Lender. So long as (i) the Available Commitment has not been reduced to zero or terminated pursuant to the terms of this Agreement or (ii) any Obligations remain outstanding, the Borrower shall continue to comply with the covenants and undertakings set forth in the Master Senior Resolution and the Resolutions, notwithstanding anything therein limiting such compliance to when a “Bond” (as defined in the Master Senior Resolution) or a Subordinate Obligation, as applicable, remains outstanding thereunder.

(h) *Waiver of Sovereign Immunity.* The Borrower hereby agrees not to assert the defense of any future right of sovereign immunity in any legal proceeding to enforce or collect upon the obligations of the Borrower under this Agreement or any other Related Document or the transactions contemplated hereby or thereby.

(i) *Credit Facilities.* Except as otherwise provided in Section 9.15 hereof, in the event that the Borrower shall, directly or indirectly, enter into or otherwise consent to any Lender Agreement, which such Lender Agreement provides such Person with additional or more restrictive covenants (including, without limitation, financial covenants) and/or additional or more restrictive events of default (collectively, the “Additional Rights”) than are provided to the Lender in this Agreement, then, such Additional Rights shall automatically be deemed to be incorporated into this Agreement and the Lender shall have the benefits of such Additional Rights. The Borrower shall promptly, upon entering into or otherwise consenting to a Lender Agreement containing such Additional Rights, notify the Lender hereunder of such Lender Agreement and enter into an amendment to this Agreement to include such Additional Rights; *provided that* the Lender shall have the benefit of such Additional Rights even if the Borrower fails to provide such notice or enter into an amendment hereto to include said Additional Rights into this Agreement. If the Borrower shall amend the related Lender Agreement such that it no longer provides for such Additional Rights, then, without the consent of the Lender, this Agreement shall automatically no longer contain the related Additional Rights and the Lender shall no longer have the benefits of any of the related Additional Rights.

(j) *Right to Accelerate.* Except as otherwise provided in Section 9.15 hereof, in the event the Borrower shall, directly or indirectly, enter into or otherwise consent to any Lender Agreement, which Lender Agreement includes the right to accelerate the payment of the principal of or interest on any series of Subordinate Obligations upon the occurrence and continuation of an event of default or event of termination under such Lender Agreement, or such Lender Agreement includes the right to accelerate the payment of the principal of or interest on any series of Subordinate Obligations upon the

occurrence and continuation of an event of default or event of termination under such Lender Agreement within a shorter period than is available to the Lender under this Agreement (herein referred to as “*New Acceleration Provisions*”), then such New Acceleration Provisions shall automatically be deemed incorporated herein and the Lender shall automatically have the benefit of such New Acceleration Provisions. The Borrower shall promptly, upon the occurrence of the Borrower entering into any Lender Agreement (or amendment thereto) which provides for New Acceleration Provisions, enter into an amendment to this Agreement to include such New Acceleration Provisions; *provided* that the Lender shall maintain the benefit of such New Acceleration Provisions even if the Borrower fails to provide such amendment. The release, termination or other discharge of such Lender Agreement that provides for such New Acceleration Provisions shall be effective to amend, release, terminate or discharge (as applicable) such provisions as incorporated by reference herein without the consent of the Lender.

(k) *Revenues; Budget and Appropriation.* The Borrower covenants and agrees that it shall take any and all action necessary such that Revenues in each Fiscal Year shall equal an amount at least sufficient to satisfy the respective provisions of the Related Documents. To the extent required by California law or any Related Document, the Borrower shall cause the appropriate Borrower official to take any and all actions that may be necessary to facilitate the payment of all Obligations under this Agreement, the Notes, the Fee Letter and the other Related Documents and to include such Obligations in the Borrower’s budget and included in an appropriations request.

(l) *Maintenance of Ratings.* The Borrower shall at all times maintain long-term unenhanced ratings on the Senior Bonds by any two of Fitch, Moody’s and S&P.

(m) *Maintenance of Existence.* The Board shall preserve and maintain its existence and rights as a commission existing under the Charter.

(n) *Maintenance of Port.* The Borrower shall at all times operate or cause to be operated the Port properly and in an efficient and economical manner, and shall maintain, preserve, reconstruct and keep the same or cause the same to be maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Port may be properly and advantageously conducted.

(o) *Disclosure to Participants.* The Borrower shall permit the Lender to disclose any information received by the Lender in connection herewith including, without limitation, the financial information described in Section 6.1(b)(i) hereof, to any Participant.

(p) *Licenses, Permits, Etc.* The Borrower will take all necessary and appropriate action to ensure the continuance in force of all material consents, licenses, permits, orders, decrees, authorizations, registrations, filings and other Governmental

Approvals obtained or made in connection with this Agreement, the Notes, the Fee Letter and the other Related Documents and/or necessary to enable and authorize the ongoing performance by the Borrower of this Agreement, the Notes, the Fee Letter and the other Related Documents and all other agreements to be delivered in connection with any thereof.

ARTICLE VII

NEGATIVE COVENANTS OF THE BORROWER

Section 7.1. Negative Covenants of the Borrower. So long as the Commitment is outstanding and available to the Borrower and until all of the Obligations shall have been paid in full, the Borrower hereby covenants and agrees that it will not:

(a) *Compliance with Laws, Etc.* Violate any laws, rules, regulations, governmental orders or other Governmental Approvals to which it, the Department and the Port are subject and of which it is aware after diligent inquiry, which violation could reasonably be expected to result in a Material Adverse Effect on the ability of the Borrower to receive Subordinate Revenues or its ability to perform its obligations hereunder or under the Notes, the Fee Letter and under the other Related Documents.

(b) *Amendments.* Amend, modify or supplement in any manner whatsoever Section 3.01, 3.02, 3.03, 5.01, 5.02, 5.03(B), 5.05, 8.01, 10.01 or 10.02, or Article VI of the Master Senior Resolution or Section 3.01, 3.02, 3.03, 5.01, 5.02, 5.03, 5.04, 8.01, 10.01 or 10.02, or Article VI of the Master Subordinate Resolution without the prior written consent of the Lender, nor shall it amend, modify or supplement any provision of the Master Senior Resolution, the Master Subordinate Resolution or any other Related Document, in a manner which would have an adverse effect upon the Borrower's ability to perform its obligations under this Agreement or to repay indebtedness that is secured by the Subordinate Revenues or which adversely affects the security for the Notes or the Borrower's ability to repay when due the Obligations or the rights, interests, security or remedies of the Lender under this Agreement, the Master Senior Resolution, the Resolutions or the other Related Documents. Notwithstanding the foregoing, the Borrower shall be entitled to enter into (i) one or more supplements to the Master Senior Resolution (A) in order to issue or incur additional debt so long as the Borrower complies with the provisions of Section 3.02 of the Master Senior Resolution and the issuance or incurrence of such indebtedness would not otherwise result in a Default or an Event of Default, or (B) *provided* such supplement complies with the provisions of Section 8.01(B) of the Master Senior Resolution, or (ii) one or more supplements to the Master Subordinate Resolution (A) in order to issue or incur additional debt so long as the Borrower complies with the provisions of Section 3.02 of the Master Subordinate Resolution and the issuance or incurrence of such indebtedness would not otherwise result in a Default or an Event of Default or (B) *provided* such supplement complies with the provisions of Section 8.01(b) of the Master Subordinate Resolution.

(c) *Liens, Etc.* Create or suffer to exist any Lien upon or with respect to Subordinate Revenues or any of the funds or accounts created under the Resolutions except those Liens specifically permitted under the Resolutions and not prohibited hereunder.

(d) *Swap Termination Payments.* Unless otherwise consented to in writing by the Lender, permit any Lien on any portion of the Subordinate Revenues securing any termination payment pursuant to any Swap Contract to be pari passu with or senior to the Lien on Subordinate Revenues securing the Notes and the other Obligations of the Borrower hereunder or under the Fee Letter and the Notes. Unless otherwise consented to in writing by the Lender, the Borrower shall not enter into any Swap Contract relating to Debt secured by Subordinate Revenues which requires the Borrower to post collateral to secure its obligations thereunder.

(e) *Exempt Status.* Take any action or omit to take any action or permit any Person to take any action or omit to take any action, that if taken or omitted, would adversely affect the excludability of interest on the Tax-Exempt Revolving Loans or the Tax-Exempt Term Loans from the gross income of the Lender, any Participant or any Noteholder for federal income tax purposes.

(f) *Federal Reserve Board Regulations.* The Borrower shall not use any portion of the proceeds of any Loans or the Notes for the purpose of carrying or purchasing any Margin Stock.

(g) *Use of Lender's Name.* Except as may be required by law (including, but not limited to, federal and state securities laws), the Borrower shall not use the Lender's name in any published materials (other than the Borrower's staff reports, annual statements, audited financial statements and rating agency presentations) without the prior written consent of the Lender (which consent shall not be unreasonably withheld); *provided* that, without the prior written consent of the Lender, the Borrower may identify the Lender as a party to this Agreement, the stated amount of the Available Commitment, the Commitment Expiration Date and that the Borrower's obligations under this Agreement are secured by Subordinate Revenues, in offering documents with respect to the Senior Bonds, the Senior Parity Debt and the Subordinate Obligations, so long as no other information relating to this Agreement or the Lender is disclosed in such offering documents without the prior written consent of the Lender.

(h) *Fiscal Agent.* Replace the Fiscal Agent without notifying the Lender thereof.

(i) *Accounting Changes.* Change the times of commencement or termination of Fiscal Years or other accounting periods without first disclosing in writing such change to the Lender.

(j) *Consolidation, Merger, Etc.* Dissolve or otherwise dispose of all or substantially all of the assets of the Borrower or the Department or consolidate with or

merge into another Person or permit one or more other Persons to consolidate with or merge into the Borrower or the Department; *provided, however*, that the Borrower or the Department may consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into the Borrower or the Department if each of the following conditions shall have been fulfilled:

(i) such merger or consolidation shall be with or into another governmental entity which shall assume in writing, reasonably satisfactory in form and substance to the Lender, or by operation of law the due and punctual performance and observance of all of the covenants, agreements and conditions of this Agreement and the other Related Documents;

(ii) such merger or consolidation shall not adversely affect or impair to any extent or in any manner (1) the Subordinate Revenues, (2) the availability of the Subordinate Revenues for the payment and security of the obligations of the Borrower under this Agreement, or (3) the pledge or security afforded by the Master Senior Resolution to the Senior Bonds and the Senior Parity Debt and the Master Subordinate Resolution to the Subordinate Obligations, respectively, and the Borrower shall have furnished to the Lender, for the benefit of the Lender, an opinion of its Special Counsel, satisfactory in form and substance to the Lender, to such effect; and

(iii) the Borrower shall have given the Lender not less than sixty (60) days' prior written notice of such merger or consolidation and furnished to the Lender all such information concerning such merger or consolidation as shall have been reasonably requested by the Lender.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of law) shall be an "Event of Default" hereunder:

(a) The Borrower shall (i) commence a voluntary case or other proceeding seeking liquidation, reorganization, arrangement, adjustment, winding-up, dissolution, composition or other similar relief with respect to itself or its indebtedness under any bankruptcy, insolvency, reorganization or other similar law for the relief of debtors now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or a substantial part of its property, (ii) consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, (iii) make a general assignment for the benefit of creditors, (iv) admit, in writing, its inability to pay its indebtedness as it becomes due, (v) become insolvent within the meaning of

Section 101(32)(C) of the Bankruptcy Code, or (vi) take any official action to authorize any of the foregoing; or

(b) Any of the following shall occur with respect to the Borrower: (i) an involuntary case or other proceeding shall be commenced against the Borrower seeking liquidation, reorganization or other relief with respect to it or its indebtedness under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall not be dismissed within sixty (60) days; or (ii) an order for relief shall be entered against the Borrower under the federal bankruptcy laws as now or hereafter in effect or pursuant to any other state or federal laws concerning insolvency or of similar purpose; or (iii) there shall be commenced against the Borrower any case, proceeding or other action seeking issuance of a warrant of attachment, execution, restraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Borrower shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Borrower shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as the same becomes due; or (vi) a debt moratorium, debt adjustment, debt restructuring or comparable extraordinary restriction with respect to the payment of principal or interest on the indebtedness of the Borrower shall be declared or imposed pursuant to a finding or ruling by the Borrower, the United States of America, the State, any instrumentality thereof or any other Governmental Authority of competent jurisdiction over the Borrower; or

(c) Any Governmental Authority of competent jurisdiction shall declare a financial emergency or similar declaration with respect to the Borrower and shall appoint or designate, with respect to the Borrower, an entity such as an organization, a board, a commission, an authority, an agency or any other similar body to manage the affairs and operations of the Borrower, the Department or the Port; or

(d) The dissolution or termination of the existence of the Borrower or the Department shall occur; or

(e) The Borrower shall fail to pay any Reimbursement Obligation or the principal of or interest on any Note, in each case, when due; or

(f) The Borrower shall fail to pay any Obligation when due (other than as provided in Section 8.1(e) hereof) and such failure shall continue for five (5) days after the Borrower has received written notice from the Lender that any such amount was not paid when due; or

(g) The occurrence of any event of default under the Master Subordinate Resolution (other than as provided in Section 8.1(h) hereof) which is not waived pursuant to the terms thereof; or

(h) The Borrower shall (i) default on the payment of the principal of or interest on any Senior Bonds, Senior Parity Debt or Subordinate Obligations (whether by scheduled maturity, required redemption, required prepayment or acceleration or otherwise), beyond the period of grace, if any, provided in the instrument or agreement under which such Senior Bonds, Senior Parity Debt or Subordinate Obligations was created or incurred; or (ii) default in the observance or performance of any agreement or condition relating to any Senior Bonds, Senior Parity Debt or Subordinate Obligations or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist, the effect of which default, event of default or similar event or condition is to cause (determined without regard to whether any notice is required) any such Senior Bonds, Senior Parity Debt or Subordinate Obligations to become immediately due and payable in full, including, without limitation, as the result of a failure to satisfy conditions to a loan or advance, the acceleration, mandatory redemption, mandatory tender or mandatory prepayment of such Senior Bonds, Senior Parity Debt or Subordinate Obligations (whether or not any such Senior Bonds, Senior Parity Debt or Subordinate Obligations are in fact accelerated or subject to mandatory tender for purchase or mandatory redemption or mandatory prepayment); or

(i) The occurrence of any event of default under the Master Senior Resolution (other than as provided in Section 8.1(h) hereof), which is not waived pursuant to the terms thereof, or any event of default or termination under any other Related Document (which is not waived pursuant to the terms thereof); or

(j) Any material representation or warranty made by or on behalf of the Borrower in this Agreement (including, without limitation, representation and warranties incorporated herein by reference) or in any certificate or statement delivered hereunder or thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made or delivered; or

(k) The Borrower shall default in the due performance or observance of any of the covenants set forth in Section 6.1(c), 6.1(d), 6.1(h), 6.1(i), 6.1(j), 6.1(k), 6.1(l), 6.1(m), 7.1(b), 7.1(c), 7.1(d), 7.1(e) or 7.1(j) hereof; or

(l) The Borrower shall default in the due performance or observance of any other term, covenant or agreement contained in this Agreement or any other Related Document (other than defaults specifically addressed in Section 8.1(k) hereof) and such default shall remain unremedied for a period of thirty (30) days after written notice thereof shall have been received by the Borrower from the Lender; or

(m) The existence of one or more final, non-appealable judgments, attachments or levies against the Borrower for the payment of money payable out of

Revenues or Subordinate Revenues, the operation or result of which, individually or in the aggregate, equals or exceed \$20,000,000, and such judgment, attachment or levy shall remain unpaid or the lien created thereby shall remain unsatisfied, undischarged or unbonded (by property other than any of the Revenues or Subordinate Revenues) for a period of ninety (90) days; or

(n) For so long as three Rating Agencies are then rating any Senior Bonds, any two of Moody's, Fitch or S&P either (i) withdraw or suspend the long-term unenhanced underlying rating of any Senior Bonds for credit related reasons, or (ii) reduce the long-term underlying rating of any Senior Bonds below "Baa3" (or its equivalent) from Moody's, "BBB-" (or its equivalent) from Fitch or "BBB-" (or its equivalent) from S&P; *provided, however*, that if only two Rating Agencies are then rating any Senior Bonds, then the action of one Rating Agency as contemplated under this Section 8.1(n) shall be an Event of Default hereunder; or

(o) Any Lien created by this Agreement or the Resolutions or any other Related Document in favor of, or for the benefit of, the Lender shall at any time or for any reason (except as expressly permitted to be released by the terms of such governing document) not constitute a valid Lien; or

(p) (i) Any provision of this Agreement, the Notes or any other Related Document related to (A) payment of principal of or interest on the Notes or (B) the validity or enforceability of the pledge of, and Lien on, the Subordinate Revenues shall, at any time and for any reason, cease to be valid and binding on the Borrower as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction, or shall be declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable; (ii) the validity or enforceability of any material provision of this Agreement, the Notes or any other Related Document related to (A) payment of principal of or interest on the Notes, or (B) the validity or enforceability of the pledge of and Lien on the Subordinate Revenues shall be publicly contested, repudiated or denied by the Issuer; or (iii) any other material provision of this Agreement, the Notes or any other Related Document, other than a provision described in clause (i) above, shall, at any time and for any reason, cease to be valid and binding on the Borrower as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction or shall be declared in a final non-appealable judgment by any court with competent jurisdiction to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the Borrower.

Section 8.2. Rights and Remedies upon Default. Upon the occurrence of an Event of Default hereunder, the Lender may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) by written notice to the Borrower, declare the outstanding amount of the Obligations under this Agreement to be immediately due and payable without

presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue;

(b) deliver a written notice to the Borrower that an Event of Default has occurred and is continuing and direct the Borrower, as applicable, to cause a mandatory redemption of the Notes or take such other remedial action as is provided for in the Resolutions;

(c) by written notice to the Borrower, reduce the Available Commitment to zero and, thereafter, the Lender will have no further obligation to make Loans hereunder and may terminate the Commitment;

(d) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the Borrower under the Related Documents, whether for specific performance of any agreement or covenant of the Borrower or in aid of the execution of any power granted to the Lender in the Related Documents;

(e) by written notice to the Borrower (and automatically in the case of any Event of Default specified in Section 8.1(a) or 8.1(b) hereof) cause all Obligations hereunder and under the Fee Letter and the Notes to accrue interest at the Default Rate;

(f) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; *provided, however*, that the Lender shall have no obligation to effect such a cure; and

(g) exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents (other than as provided for in clause (b) of this Section 8.2) and as otherwise available at law and at equity.

(h) Notwithstanding the provisions of Sections 8.2(a) and 8.2(b) hereof, (x) the Lender shall not declare the outstanding amount of the Obligations under this Agreement to be immediately due and payable or cause a mandatory redemption of the Notes as described in Sections 8.2(a) and 8.2(b) hereof until seven (7) days after the occurrence of an Event of Default specified in Sections 8.1(a), 8.1(b), 8.1(c), 8.1(d), 8.1(e), 8.1(h), 8.1(p)(i) and 8.1(p)(ii) hereof, and (y) the Lender shall notify the Borrower of mandatory redemption of the Notes at least ninety (90) days prior thereto in the case of any Event of Default not specified in the immediately preceding clause (x) (*i.e.*, the Events of Default specified in Sections 8.1(f), 8.1(g), 8.1(i), 8.1(j), 8.1(k), 8.1(l), 8.1(m), 8.1(n), 8.1(o) and 8.1(p)(iii) hereof. Notwithstanding the foregoing sentence, if any other holder or credit enhancer of Subordinate Obligations or any counterparty under any Swap Contract related thereto causes any such Subordinate Obligations or other obligations of the Borrower to become immediately due and payable, the Lender may immediately,

without notice, avail itself of the remedies set forth in Section 8.2(a) and Section 8.2(b) hereof and/or declare or cause to be declared the unpaid principal amount of the Notes, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder and under the Fee Letter to be immediately due and payable.

Section 8.3. No Waiver. No failure on the part of Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any further exercise thereof or the exercise of any other right. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Lender to any other or further action in any circumstances without notice or demand. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. No delay or omission by the Lender in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Lender or to be acquiescence therein. No express or implied waiver by the Lender of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

Section 8.4. Discontinuance of Proceedings. In case the Lender shall proceed to invoke any right, remedy or recourse permitted hereunder or under any other Related Document and shall thereafter elect to discontinue or abandon the same for any reason, the Lender shall have the unqualified right so to do and, in such event, the Borrower and the Lender shall be restored to their former positions with respect to the Obligations, this Agreement, the Notes, the Fee Letter and the other Related Documents and otherwise, and the rights, remedies, recourse and powers of the Lender hereunder shall continue as if the same had never been invoked.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Amendments and Waivers. No amendment, change, discharge or waiver of any provision of this Agreement or the Fee Letter, nor consent to any departure by the Borrower therefrom shall, in any event, be effective unless the same shall be in writing and signed by the Lender and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in the same, similar or other circumstances.

Section 9.2. Notices. All notices and other communications provided for hereunder shall be in writing (including facsimiles) and mailed or faxed or delivered:

If to the Borrower: Harbor Department of the City of Long Beach
Port of Long Beach
415 W. Ocean Boulevard
Long Beach, California 90802
Attention: Managing Director, Finance and Administration
E-mail: sam.joumbat@polb.com
Facsimile (562) 283-7067
Telephone: (562) 283-7055

If to the Lender:
(for all matters unrelated to
advances, payments and
invoices) MUFG Union Bank, N.A.
445 South Figueroa Street, 5th Floor
Los Angeles, California 90071
Attention: Lisa Smith
Facsimile: **[(213) 236-6917]**
Telephone: (213) 236-7741

With respect to requests for Revolving Loans:

MUFG Union Bank, N.A.
Commercial Loan Operations
1980 Saturn Street, 1st Floor
MC V01-120
Monterey Park, California 91755
Attention: Rhonda Brooks
Facsimile: (800) 892-4857
Telephone: (323) 720-7347
E-Mail: Rhonda.Brooks@unionbank.com

MUFG Union Bank, N.A.
Commercial Loan Operations
1980 Saturn Street, 1st Floor
MC V01-120
Monterey Park, California 91755
Attention: Sandra Scheltens
Facsimile: (800) 892-4857
Telephone: (323) 720-2693
E-Mail: Sandra.Scheltens@unionbank.com

Team E-Mail: Mailbox #clocommercialmarkets@unionbank.com
 Customer Service
 Telephone: 800-999-4406 or
 800-999-5454
 (lines available from 8:30 to 4:30 M-F)
 Facsimile: 1-800-892-4857

If to the Fiscal Agent: U.S. Bank Trust Company, National Association
 Global Corporate Trust Services
 633 West Fifth Street, 24th Floor
 LM-CA-T24T
 Los Angeles, California 90071
 Attention: Ilse Vlach
 Facsimile: (213) 615-6199
 Telephone: (213) 615-6051
 E-Mail: ilse.vlach@usbank.com

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed or faxed, be effective when deposited in the mails or faxed, respectively, addressed as aforesaid, except that notice to the Lender pursuant to the provisions of Article II hereof shall not be effective until received by the Lender.

Section 9.3. Reserved.

Section 9.4. Indemnification. (a) In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the Borrower hereby agrees (to the fullest extent permitted by law) to reimburse, indemnify and hold harmless the Lender and its respective officers, directors, employees and agents (the “*Indemnified Parties*”) for, from and against any and all claims, damages, losses, liabilities, costs or expenses which such Indemnified Parties may incur (including, without limitation, reasonable attorney’s fees) or which may be claimed against such Indemnified Parties by any person or entity whosoever by reason of or in connection with (i) the consummation of the transactions contemplated hereby or thereby; (ii) the making of any Loans or the use or proposed use of the proceeds therefrom; (iii) the validity, sufficiency, enforceability or genuineness of any Related Document; (iv) the extension of the Commitment; or (v) the execution, delivery and performance of this Agreement or any other Related Document, or the making or the failure to honor a properly presented and conforming drawing hereunder; *provided, however*, the Borrower shall not be required to indemnify an Indemnified Party pursuant to this Section 9.4(a) for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, that a court of competent jurisdiction shall have determined by a final and nonappealable judgment the same were caused by the willful misconduct or gross negligence of the Lender. If any proceeding shall be brought or threatened against an Indemnified Party by reason of or in connection with the events described in clause (i), (ii), (iii), (iv) or (v) as a condition of

indemnity hereunder each Indemnified Party shall promptly notify the Borrower in writing and the Borrower shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party and the payment of all reasonable costs of litigation. Notwithstanding the preceding sentence, each Indemnified Party shall have the right to employ its own counsel and to determine its own defense of such action in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (x) the employment of such counsel shall have been consented to in writing by the Borrower (which consent shall not be unreasonably withheld, conditioned or delayed), or (y) the Borrower, after due notice of the action, shall not have employed counsel satisfactory to such Indemnified Party to have charge of such defense, in either of which events the reasonable fees and expenses of counsel for such Indemnified Party shall be borne by the Borrower. The Borrower shall not be liable for any settlement of any such action effected without its consent (which consent shall not be unreasonably withheld, conditioned or delayed). Any such amounts owed by the Borrower pursuant to this Section 9.4 shall be paid by the Borrower within forty-five (45) Business Days after demand therefor by the Lender. Nothing under this Section 9.4 is intended to limit the Borrower's payment of the Obligations.

(b) Notwithstanding anything to the contrary contained in this Section 9.4, (i) the Borrower shall have no obligation to indemnify the Lender for damages that the Borrower proves were caused solely out of the gross negligence or willful misconduct of the Lender, as determined by a court of competent jurisdiction, and (ii) the Borrower shall have a claim against the Lender, and the Lender shall be liable to the Borrower, to the extent of any direct, as opposed to consequential, damages suffered by the Borrower which the Borrower proves were caused solely by the Lender's gross negligence or willful misconduct, as determined by a court of competent jurisdiction.

(c) The obligations of the Borrower under this Section 9.4 shall survive the payment of the Obligations and the termination of this Agreement.

Section 9.5. No Setoff. Notwithstanding anything to the contrary contained herein, the Lender, any Participant and any Noteholder hereby agrees that it will not assert any of its statutory or common law rights of setoff as the depository bank of the Borrower in connection with the collection or repayment of any of the Obligations or any other obligation of the Borrower owing to the Lender, any Participant or any Noteholder under this Agreement or the other Related Documents.

Section 9.6. Expenses; Documentary Taxes. The Borrower shall pay or cause to be paid (a) fees and document production costs and disbursements of Chapman and Cutler LLP, special counsel for the Lender, in connection with the preparation of this Agreement, the Fee Letter and the Notes, (b) all reasonable out-of-pocket travel and other expenses incurred by the Lender in connection with this Agreement, the Fee Letter and the Notes, (c) all reasonable out-of-pocket expenses of the Lender, including fees and disbursements of counsel, in connection with any waiver or consent hereunder or any amendment hereof or any Default or Event of Default or alleged Default or alleged Event of Default hereunder, and (d) all reasonable out-of-pocket expenses incurred by the Lender, including fees and disbursements of counsel, in connection

with any Event of Default or any investigation or enforcement proceedings with respect to this Agreement, the Loans, the Notes or any other Related Document.

Section 9.7. Successors and Assigns; Participations.

(a) *Successors and Assigns Generally.* This Agreement shall become effective when it shall have been executed by the Borrower and the Lender and, thereafter, shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and permitted assigns. This Agreement is a continuing obligation and shall be binding upon the Borrower, its successors, transferees and assigns and shall inure to the benefit of the Noteholders and their respective permitted successors, transferees and assigns. The Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender. Notwithstanding anything to the contrary set forth herein, the Lender may not assign its obligation to fund Revolving Loans pursuant to the terms of this Agreement without the prior written consent of the Borrower. Each Noteholder may, in its sole discretion and in accordance with Applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the applicable Note and the other Related Documents only in accordance with the provisions of paragraph (b) or (c) of this Section. Each Noteholder may at any time, and from time to time, enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Noteholder may at any time pledge or collaterally assign a security interest subject to the restrictions of paragraph (e) of this Section.

(b) *Sales and Transfers by Lender to a Lender Transferee.* Without limitation of the foregoing generality, the Lender may at any time sell or otherwise transfer to one or more transferees all or a portion of the Notes to a Person that is (i) a Bank Affiliate or (ii) a trust or other custodial arrangement established by the Lender or a Bank Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act (each, a “Lender Transferee”). From and after the date of such sale or transfer, MUFG Union Bank, N.A. (and its successors) shall continue to have all of the rights of the Lender hereunder and under the other Related Documents as if no such transfer or sale had occurred; *provided however*, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Lender hereunder, (B) any such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall be in a minimum amount of \$500,000, (C) the Borrower and the Fiscal Agent shall be required to deal only with the Lender with respect to any matters under this Agreement and (D) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Lender shall be entitled to enforce the provisions of this Agreement against the Borrower. Additionally, each Lender Transferee of all or a portion of a Note shall be deemed to have acknowledged, represented, warranted and agreed with the Borrower to all of the provisions set forth in the “Noteholder Representations” attached to the applicable Note. The Lender shall endeavor to provide written notice of such sale or transfer to the Borrower and the Fiscal Agent for purposes of Section 2.07 of the Master Subordinate Resolution. Upon the request of the Borrower, the Lender shall provide the addresses and related information with respect to the Lender Transferee to the Borrower. No Lender Transferee shall be entitled to receive any greater payment under Sections 2.7 and 2.8 hereof than the Lender would have been entitled to receive with respect to the rights and obligations hereunder transferred.

(c) *Sales and Transfers by a Noteholder to a Non-Lender Transferee.* Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer all or a portion of the Notes to one or more transferees which are not Lender Transferees but each of which constitutes (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, determined as of the date of any transfer pursuant to this paragraph (c), of not less than \$5,000,000,000 (each a “Non-Lender Transferee”), if written notice of such sale or transfer, including that such sale or transfer is to a Non-Lender Transferee, together with addresses and related information with respect to the Non-Lender Transferee, shall have been given to the Borrower, the Fiscal Agent and the Lender (if different than the Noteholder) by such selling Noteholder and Non-Lender Transferee, and, unless an Event of Default shall have occurred and be continuing, the Borrower shall have consented to such sale or transfer (which consent shall not be unreasonably withheld, conditioned or delayed). From and after the date of such sale or transfer, MUFG Union Bank, N.A. (and its successors) shall continue to have all of the rights of the Lender hereunder and under the other Related Documents as if no such transfer or sale had occurred; *provided however*, that (A) no such sale or transfer referred to in this paragraph (c) shall in any way affect the obligations of the Lender hereunder, (B) any such sale or transfer referred to in this paragraph (c) shall be in a minimum amount of \$500,000, (C) the Borrower and the Fiscal Agent shall be required to deal only with the Lender with respect to any matters under this Agreement and (D) in the case of a sale or transfer referred to in this paragraph (c), only the Lender shall be entitled to enforce the provisions of this Agreement against the Borrower. Additionally, each Non-Lender Transferee of all or a portion of a Note shall be deemed to have acknowledged, represented, warranted and agreed with the Borrower to all of the provisions set forth in the “Noteholder Representations” attached to the applicable Note. The Lender shall endeavor to provide written notice of such sale or transfer to the Borrower and the Fiscal Agent for purposes of Section 2.07 of the Master Subordinate Resolution. Upon the request of the Borrower, the Lender shall provide the addresses and related information with respect to the Non-Lender Transferee to the Borrower.

From and after the date the Borrower and the Fiscal Agent have received written notice, the Non-Lender Transferee shall have the rights of a Noteholder (other than its obligation to fund Revolving Loans and Term Loans, as more fully set forth in paragraph (a) of this Section 9.7) hereunder and under the other Related Documents, and MUFG Union Bank, N.A. (and its successors) shall exercise such rights on behalf of such Non-Lender Transferee, as its interest may appear, and any reference to the Noteholder hereunder and under the other Related Documents shall thereafter refer to such Non-Lender Transferee to the extent of their respective interests; *provided, however*, that in any such case the Borrower shall be required to deal only with the Lender with respect to any matters under this Agreement. No Non-Lender Transferee shall be entitled to receive any greater payment under Sections 2.7 and 2.8 hereof than the Lender would have been entitled to receive with respect to the rights and obligations hereunder transferred.

(d) *Participations.* The Lender shall have the right at any time to sell, assign, grant or transfer participations in all or part of its respective rights and/or obligations under this

Agreement, the Fee Letter and the Notes and the obligations of the Borrower hereunder and under the other Related Documents (including, without limitation, all or a portion of the Available Commitment, the Notes and/or the Loans owing to it) to one or more other banking institutions (each a “Participant”) without the consent of the Borrower; *provided* that no such action by the Lender shall relieve the Lender of its obligations under this Agreement. The Lender may disclose to any Participant or prospective Participant any information or other data or material in the Lender’s possession relating to this Agreement, any other Related Document and the Borrower, without the consent of the Borrower. No Participant shall be entitled to receive any greater payment under Sections 2.7 and 2.8 hereof than the Lender would have been entitled to receive with respect to the rights and obligations hereunder transferred. Notwithstanding any participation granted by the Lender pursuant hereto, the Borrower shall continue to deal solely and exclusively with the Lender in connection with the respective rights and obligations of the parties hereto and under the other Related Documents, the grant of such participation interest shall not limit the obligations of the Lender hereunder and the Lender will continue to serve as the only contact for the Borrower for all matters relating to this Agreement.

(e) *Certain Pledges.* The Lender may at any time pledge or collaterally assign a security interest in all or any portion of its rights under this Agreement, the Fee Letter and/or the Notes to secure obligations of the Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or collateral assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

Section 9.8. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 9.9. Governing Law, Jurisdiction and Waiver of Jury Trial. (a) This Agreement shall be governed by, and construed in accordance with, the internal laws of the State.

(b) Each of the parties hereto hereby submits to the exclusive jurisdiction of any federal or state court of competent jurisdiction in the State for the purpose of any suit, action or other proceeding arising out of or relating to this Agreement or any other Related Document; service of process may be accomplished by registered mail, return receipt requested to each of the parties at the address listed for notice in Section 9.2 hereof.

(c) To the extent permitted by Applicable Law, both the Borrower and the Lender irrevocably waive any and all right to trial by jury in any legal proceeding arising out of or relating to legal claims based on the Borrower’s or Lender’s performance of their respective obligations under this Agreement or any other Related Document.

Section 9.10. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 9.11. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 9.12. Integration. This Agreement is intended to be the final agreement between the parties hereto relating to the subject matter hereof and this Agreement and any agreement, document or instrument attached hereto or referred to herein shall supersede all oral negotiations and prior writings with respect to the subject matter hereof.

Section 9.13. OFAC; Patriot Act. The Borrower hereby agrees to provide documentary and other evidence as may be reasonably requested by the Lender at any time to enable the Lender to verify the Borrower's identity or to comply with any applicable law or regulation, including, without limitation, regulations of the Office of Foreign Assets Control and Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

Section 9.14. No Fiduciary or Advisory Responsibility. The transaction described in this Agreement is an arm's-length, commercial transaction between the Borrower and the Lender in which: (i) the Lender is acting solely as a principal (*i.e.*, as a lender) and for its own interest; (ii) the Lender is not acting as a municipal advisor or financial advisor to the Borrower; (iii) the Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Borrower with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender or any of its affiliates has provided other services or is currently providing other services to the Borrower on other matters); (iv) the only obligations the Lender has to the Borrower with respect to this transaction are set forth in this Agreement; and (v) the Lender is not recommending that the Borrower take an action with respect to the transaction described in this Agreement and the other Related Documents, and before taking any action with respect to the this transaction, the Borrower should discuss the information contained herein with the Borrower's own legal, accounting, tax, financial and other advisors, as the Borrower deems appropriate.

Section 9.15. TIFIA Loan Agreement Waiver. The Lender hereby waives the requirements of Sections 6.1(i) and 6.1(j) hereof as such Sections may be applicable to the TIFIA Loan Agreement, and the Lender hereby agrees that the TIFIA Loan Agreement shall not be a "Lender Agreement" for purpose of Sections 6.1(i) and 6.1(j) hereof. This waiver shall remain in full force and effect until such time as the TIFIA Loan Agreement is terminated pursuant to its terms.

[SIGNATURE PAGE FOLLOWS]

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

CITY OF LONG BEACH, CALIFORNIA, acting by
and through its Board of Harbor
Commissioners

By: _____
Managing Director – Finance and
Administration, Harbor Department of the
City of Long Beach

Approved as to form:

J. CHARLES PARKIN, City Attorney

By: _____
Deepika S. Thompson
Deputy City Attorney

MUFG UNION BANK, N.A.

By: _____

Name: Dean Kawai

Title: Vice President

EXHIBIT A-1

[FORM OF TAX-EXEMPT NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 9.7 OF THE HEREIN DEFINED AGREEMENT AND IN THE “NOTEHOLDER REPRESENTATIONS” ATTACHED HERETO.

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY OF LONG BEACH, CALIFORNIA
SUBORDINATE HARBOR REVENUE REVOLVING OBLIGATION,
SERIES B
(TAX EXEMPT)**

Dated Date: July 12, 2016

For value received, the City of Long Beach, California, a municipal corporation and chartered city, acting by and through its Board of Harbor Commissioners (with its successors, the “*Borrower*”) hereby promises to pay to the order of MUFG Union Bank, N.A., and its successors and assigns, as their respective interests may appear (the “*Lender*”) located at Commercial Loan Operations, 1980 Saturn Street, 1st Floor, MC V01-120, Monterey Park, California 91755, the aggregate unpaid principal amount of all Tax-Exempt Revolving Loans and Tax-Exempt Term Loans made by the Lender from time to time pursuant to the Revolving Credit Agreement, dated as of July 1, 2016 (together with any amendments or supplements thereto, the “*Agreement*”), by and between the Borrower and the Lender, plus interest thereon, on the dates, in the amounts and in the manner provided for in the Agreement.

The unpaid principal amount of all Tax-Exempt Revolving Loans and Tax-Exempt Term Loans from time to time outstanding shall bear interest at the rate or rates and be payable as provided in and calculated in the manner set forth in the Agreement.

Payments of both principal and interest are to be made in lawful money of the United States of America.

This Note evidences indebtedness (including the Tax-Exempt Revolving Loans and the Tax-Exempt Term Loans) incurred under, and is subject to the terms and provisions of, the Agreement to which reference is hereby made for a statement of said terms and provisions, including those under which this Note may be paid or become due prior to its due date. This Note is the Tax-Exempt Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part, in accordance with the terms of the Agreement.

This Note comprises the duly authorized issue of City of Long Beach, California Subordinate Harbor Revenue Revolving Obligations, Series B (Tax-Exempt) (the “*Tax-Exempt Note*”) which has been issued pursuant to the Charter of the City of Long Beach, California, as the same may be amended and modified, and Title 3, Chapter 3.52, Division I of the Municipal Code of the City of Long Beach, California, as the same may be amended and modified (collectively, the “*Law*”), Resolution No. HD-2726, adopted by the Borrower on July 16, 2013 (together with all amendments and modifications thereto, the “*Master Subordinate Resolution*”), Resolution No. HD-2728, adopted by the Borrower on July 16, 2013 (together with all amendments and modifications thereto, the “*Second Supplemental Subordinate Resolution*”) and Resolution No. HD-2852, adopted by the Borrower on June 30, 2016 (together with all amendments and modifications thereto, the “*Fifth Supplemental Subordinate Resolution* and, together with the Master Subordinate Resolution and the Second Supplemental Subordinate Resolution, the “*Resolutions*”) and the Agreement.

Reference is hereby made to the Agreement, the Resolutions, the Law and the Amended and Restated Fiscal Agent Agreement, dated as of July 12, 2016 (the “*Fiscal Agent Agreement*”) by and between the Borrower and the U.S. Bank National Association, as fiscal agent (the “*Fiscal Agent*”) for a description of the terms on which this Note is issued, the provisions with regard to the nature and extent of the Subordinate Revenues, and all of the terms of the Agreement, Resolutions, the Law and the Fiscal Agent Agreement are hereby incorporated herein and constitute a contract between the Borrower and the holder of this Note, and by acceptance hereof the holder of this Note assents to said terms and conditions.

This Note is a special limited obligation of the Borrower payable from and secured by a pledge of and a lien and charge upon the Subordinate Revenues on a parity with all Subordinate Obligations and all other debt incurred and payable from Subordinate Revenues on a parity with the Subordinate Obligations. The principal of and interest on this Note are not a debt of the City of Long Beach, California (the “*City*”), nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues, except the Subordinate Revenues. The general fund of the City is not liable for the payment of this Note or any interest hereon, nor is the credit or the taxing power of the City pledged therefor. The holder of this Note shall not compel the exercise of the taxing power of the City or the forfeiture of any of its property for the payment of this Note or any interest hereon.

This Note is payable as to principal and interest thereof, exclusively from the Subordinate Revenues and other funds pledged to the payment thereof under the Resolutions.

This Note and the interest hereon are junior and subordinate in all respects to the Senior Bonds and the Senior Parity Debt as to lien on and source and security for payment from the Revenues.

This Note is made under the laws of the State of California, and for all purposes shall be governed by and construed in accordance with the laws of said State, without regard to principles of conflicts of law. Capitalized terms not otherwise defined herein have the meaning set forth in the Agreement or the Resolutions, as applicable.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Agreement, the Resolutions and the Law precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by the Resolutions and resolution of the City Council of the City duly adopted.

The Borrower hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices and demands whatsoever.

IN WITNESS WHEREOF, the Board of Harbor Commissioners of the City of Long Beach has caused this Note to be signed by the President of the Board and the Administrative Officer of the Board and sealed with the corporate seal of said City as of the Dated Date specified above.

President, Board of Harbor Commissioners of
the City of Long Beach

[SEAL]

COUNTERSIGNED

Administrative Officer, Board of Harbor
Commissioners of the City of Long Beach

**FISCAL AGENT'S
CERTIFICATE OF AUTHENTICATION**

This Note is the Tax-Exempt Note delivered pursuant to the within mentioned Resolutions.

Date of Authentication: July 12, 2016

U.S. BANK NATIONAL ASSOCIATION, as Fiscal
Agent

By: _____
Authorized Signatory

NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Borrower as follows:

1. If Noteholder is:

(a) a Lender Transferee, such Noteholder is either (i) a Lender Affiliate or (ii) a trust or other custodial arrangement established by the Lender or a Lender Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act; or

(b) a Non-Lender Transferee, such Noteholder is (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, as of the date of transfer, of not less than \$5,000,000,000.

2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.

3. The Noteholder is able to bear the economic risks of an investment in this Note.

4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Borrower, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.

5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Borrower, the Department and the Port, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the Department, the Port, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.

6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the “Blue Sky” laws

and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.

7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; *provided, however*, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

TRANSACTIONS ON

**CITY OF LONG BEACH, CALIFORNIA
SUBORDINATE HARBOR REVENUE REVOLVING OBLIGATION,
SERIES B
(TAX-EXEMPT)**

| DATE | TAX-EXEMPT LOAN COMMITMENT | INTEREST RATE | AMOUNT OF PRINCIPAL PAID | DATE TO WHICH INTEREST PAID | NOTATION MADE BY |
|------|----------------------------------|------------------|--------------------------------|--------------------------------------|---------------------|
|------|----------------------------------|------------------|--------------------------------|--------------------------------------|---------------------|

ASSIGNMENT

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

Please insert Social Security or
Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member or participant of a signature guarantee program

NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or change whatsoever.

EXHIBIT A-2

[FORM OF TAXABLE NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION. THIS NOTE IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN SECTION 9.7 OF THE HEREIN DEFINED AGREEMENT AND IN THE “NOTEHOLDER REPRESENTATIONS” ATTACHED HERETO.

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY OF LONG BEACH, CALIFORNIA
SUBORDINATE HARBOR REVENUE REVOLVING OBLIGATION,
SERIES C
(TAXABLE)**

Dated Date: July 12, 2016

For value received, the City of Long Beach, California, a municipal corporation and chartered city, acting by and through its Board of Harbor Commissioners (with its successors, the “*Borrower*”) hereby promises to pay to the order of MUFG Union Bank, N.A., and its successors and assigns, as their respective interests may appear (the “*Lender*”) located at Commercial Loan Operations, 1980 Saturn Street, 1st Floor, MC V01-120, Monterey Park, California 91755, the aggregate unpaid principal amount of all Taxable Revolving Loans and Taxable Term Loans made by the Lender from time to time pursuant to the Revolving Credit Agreement, dated as of July 1, 2016 (together with any amendments or supplements thereto, the “*Agreement*”), by and between the Borrower and the Lender, plus interest thereon, on the dates, in the amounts and in the manner provided for in the Agreement.

The unpaid principal amount of all Taxable Revolving Loans and Taxable Term Loans from time to time outstanding shall bear interest at the rate or rates and be payable as provided in and calculated in the manner set forth in the Agreement.

Payments of both principal and interest are to be made in lawful money of the United States of America.

This Note evidences indebtedness (including the Taxable Revolving Loans and the Taxable Term Loans) incurred under, and is subject to the terms and provisions of, the Agreement to which reference is hereby made for a statement of said terms and provisions, including those under which this Note may be paid or become due prior to its due date. This Note is the Taxable Note referred to in the Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. This Note is subject to prepayment, in whole or in part, in accordance with the terms of the Agreement.

This Note comprises the duly authorized issue of City of Long Beach, California Subordinate Harbor Revenue Revolving Obligations, Series C (Taxable) (the “*Taxable Note*”) which has been issued pursuant to the Charter of the City of Long Beach, California, as the same may be amended and modified, and Title 3, Chapter 3.52, Division I of the Municipal Code of the City of Long Beach, California, as the same may be amended and modified (collectively, the “*Law*”), Resolution No. HD-2726, adopted by the Borrower on July 16, 2013 (together with all amendments and modifications thereto, the “*Master Subordinate Resolution*”), Resolution No. HD-2728, adopted by the Borrower on July 16, 2013 (together with all amendments and modifications thereto, the “*Second Supplemental Subordinate Resolution*”) and Resolution No. HD-2852, adopted by the Borrower on June 30, 2016 (together with all amendments and modifications thereto, the “*Fifth Supplemental Subordinate Resolution* and, together with the Master Subordinate Resolution and the Second Supplemental Subordinate Resolution, the “*Resolutions*”) and the Agreement.

Reference is hereby made to the Agreement, the Resolutions, the Law and the Amended and Restated Fiscal Agent Agreement, dated as of July 12, 2016 (the “*Fiscal Agent Agreement*”) by and between the Borrower and the U.S. Bank National Association, as fiscal agent (the “*Fiscal Agent*”) for a description of the terms on which this Note is issued, the provisions with regard to the nature and extent of the Subordinate Revenues, and all of the terms of the Agreement, Resolutions, the Law and the Fiscal Agent Agreement are hereby incorporated herein and constitute a contract between the Borrower and the holder of this Note, and by acceptance hereof the holder of this Note assents to said terms and conditions.

This Note is a special limited obligation of the Borrower payable from and secured by a pledge of and a lien and charge upon the Subordinate Revenues on a parity with all Subordinate Obligations and all other debt incurred and payable from Subordinate Revenues on a parity with the Subordinate Obligations. The principal of and interest on this Note are not a debt of the City of Long Beach, California (the “*City*”), nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues, except the Subordinate Revenues. The general fund of the City is not liable for the payment of this Note or any interest hereon, nor is the credit or the taxing power of the City pledged therefor. The holder of this Note shall not compel the exercise of the taxing power of the City or the forfeiture of any of its property for the payment of this Note or any interest hereon.

This Note is payable as to principal and interest thereof, exclusively from the Subordinate Revenues and other funds pledged to the payment thereof under the Resolutions.

This Note and the interest hereon are junior and subordinate in all respects to the Senior Bonds and the Senior Parity Debt as to lien on and source and security for payment from the Revenues.

This Note is made under the laws of the State of California, and for all purposes shall be governed by and construed in accordance with the laws of said State, without regard to principles of conflicts of law. Capitalized terms not otherwise defined herein have the meaning set forth in the Agreement or the Resolutions, as applicable.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Agreement, the Resolutions and the Law precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by the Resolutions and resolution of the City Council of the City duly adopted.

The Borrower hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices and demands whatsoever.

IN WITNESS WHEREOF, the Board of Harbor Commissioners of the City of Long Beach has caused this Note to be signed by the President of the Board and the Administrative Officer of the Board and sealed with the corporate seal of said City as of the Dated Date specified above.

By: _____
President, Board of Harbor Commissioners
of the City of Long Beach

[SEAL]

COUNTERSIGNED

By: _____
Administrative Officer, Board of Harbor
Commissioners of the City of Long Beach

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This Note is the Taxable Note delivered pursuant to the within mentioned Resolutions.

Date of Authentication: July 12, 2016

U.S. BANK NATIONAL ASSOCIATION, as Fiscal
Agent

By: _____
Authorized Signatory

NOTEHOLDER REPRESENTATIONS

Each Noteholder by its acceptance of or interest in this Note, hereby acknowledges, represents, warrants and agrees with the Borrower as follows:

1. If Noteholder is:

(a) a Lender Transferee, such Noteholder is either (i) a Lender Affiliate or (ii) a trust or other custodial arrangement established by the Lender or a Lender Affiliate, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act; or

(b) a Non-Lender Transferee, such Noteholder is (i) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act and (ii) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any such case, having a combined capital and surplus, as of the date of transfer, of not less than \$5,000,000,000.

2. The Noteholder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase and/or acceptance of this Note.

3. The Noteholder is able to bear the economic risks of an investment in this Note.

4. The Noteholder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to this Note. The Noteholder has made its own inquiry and analysis with respect to the Borrower, this Note and the security therefor, and other material factors affecting the security for and payment of this Note.

5. The Noteholder has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Borrower, the Department and the Port, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the Department, the Port, this Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or accept this Note.

6. The Noteholder understands that this Note (a) is not registered under the 1933 Act and is not registered or otherwise qualified for sale under the “Blue Sky” laws

and regulations of any state, (b) is not listed on any stock or other securities exchange, and (c) carries no rating from any credit rating agency.

7. This Note is being acquired by the Noteholder for investment for its own account and not with a present view toward resale or distribution; *provided, however*, that the Noteholder reserves the right to sell, transfer or redistribute this Note, but agrees that any such sale, transfer or distribution by the Noteholder shall be to a Person that is either a Lender Transferee or a Non-Lender Transferee.

TRANSACTIONS ON
CITY OF LONG BEACH, CALIFORNIA
SUBORDINATE HARBOR REVENUE REVOLVING OBLIGATION,
SERIES C
(TAXABLE)

| DATE | TAX-EXEMPT LOAN COMMITMENT | INTEREST RATE | AMOUNT OF PRINCIPAL PAID | DATE TO WHICH INTEREST PAID | NOTATION MADE BY |
|------|----------------------------------|------------------|--------------------------------|--------------------------------------|---------------------|
|------|----------------------------------|------------------|--------------------------------|--------------------------------------|---------------------|

ASSIGNMENT

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

Please insert Social Security or
Taxpayer Identification Number of Transferee

/ _____ /

(Please print or typewrite name and address, including zip code, of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member or participant of a signature guarantee program

NOTICE: The signature above must correspond with the name of the Owner as it appears upon the front of this Note in every particular, without alteration or enlargement or change whatsoever.

EXHIBIT B

[FORM OF REQUEST FOR REVOLVING LOAN]

REQUEST FOR REVOLVING LOAN

MUFG Union Bank, N.A.
Commercial Loan Operations
1980 Saturn Street, 1st Floor
MC V01-120
Monterey Park, California 91755
Attention: Rhonda Brooks
Facsimile: (800) 892-4857
Telephone: (323) 720-7347
E-Mail: Rhonda.Brooks@unionbank.com

MUFG Union Bank, N.A.
Commercial Loan Operations
1980 Saturn Street, 1st Floor
MC V01-120
Monterey Park, California 91755
Attention: Sandra Scheltens
Facsimile: (800) 892-4857
Telephone: (323) 720-2693
E-Mail: Sandra.Scheltens@unionbank.com

Team E-Mail: Mailbox
#clocommercialmarkets@unionbank.com
Customer Service Telephone: 800-999-4406 or
800-999-5454
Facsimile: 1-800-892-4857

Ladies and Gentlemen:

The undersigned, a Designated Representative, refers to the Revolving Credit Agreement, dated as of July 1, 2016 (together with any amendments or supplements thereto, the "Agreement"), by and between the City of Long Beach, California, acting by and through its Board of Harbor Commissioners (with its successors, the "Borrower") and MUFG Union Bank, N.A. (with its successors and assigns, the "Lender") (the terms defined therein being used herein as therein defined) and hereby requests, pursuant to Section 2.3 of the Agreement, that the Lender make a Revolving Loan under the Agreement, and in that connection sets forth below the following information relating to such a Revolving Loan (the "Proposed Revolving Loan"):

1. The Business Day of the Proposed Revolving Loan is _____, 20__ (the "Advance Date"), which is at least three Business Days after the date hereof.
2. The principal amount of the Proposed Revolving Loan is \$_____, which is not greater than the Available Commitment as of the Advance Date set forth in 1 above.
3. The aggregate amount of the Proposed Revolving Loan shall be used solely for the payment of **[Costs of a Project]** or **[costs of issuance in connection with this Agreement]** or **[any other purpose permitted under the Law]**.
4. The interest rate with respect to the Proposed Revolving Loan shall be **[the Tax-Exempt Rate]** **[the Taxable Term SOFR Rate]**.

5. **[For a Proposed Revolving Loan that will bear interest at the Tax-Exempt Rate:]** The principal amount of the Proposed Revolving Loan set forth in 2 above does not exceed the Tax-Exempt Loan Commitment as of the Advance Date set forth in 1 above.

[For a Proposed Revolving Loan that will bear interest at the Taxable Term SOFR Rate:] The principal amount of the Proposed Revolving Loan set forth in 2 above does not exceed the Taxable Loan Commitment as of the Advance Date set forth in 1 above.

6. After giving effect to the Proposed Revolving Loan, the aggregate principal amount of all Loans outstanding under the Agreement will not exceed the Available Commitment. After giving effect to the Proposed Revolving Loan, the aggregate principal amount of all Tax-Exempt Revolving Loans outstanding under the Agreement will not exceed the Tax-Exempt Loan Commitment as of the Advance Date set forth in 1 above. After giving effect to the Proposed Revolving Loan, the aggregate principal amount of all Taxable Revolving Loans outstanding under the Agreement will not exceed the Taxable Loan Commitment as of the Advance Date set forth in 1 above.

7. The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Advance Date, before and after giving effect thereto:

(a) The representations and warranties of the Borrower set forth in Article V of the Agreement (other than in Section 5.9 thereof) are true and correct in all material respects on the date hereof, as if made on the date hereof;

(b) No Event of Default has occurred and is continuing;

(c) No event or change shall be in effect or shall have occurred that could reasonably be expected to have a Material Adverse Effect with respect to the Borrower's ability to receive Subordinate Revenues or its ability to perform its obligations under the Agreement, the Fee Letter, the Notes or the other Related Documents; and

(d) **[FOR TAX-EXEMPT REVOLVING LOANS - The Borrower has not received actual notice (either verbal or written) from Special Counsel that it may no longer rely upon the opinion of Special Counsel delivered pursuant to Section 3.3(a) of the Agreement.]**

8. The Proposed Revolving Loan shall be made by the Lender by wire transfer of immediately available funds to or on behalf of the Borrower in accordance with the instructions set forth below:

[Insert wire instructions]

CITY OF LONG BEACH, CALIFORNIA,
acting by and through its
Board of Harbor Commissioners

By: _____
Designated Representative

EXHIBIT C

[FORM OF REQUEST FOR EXTENSION]

REQUEST FOR EXTENSION

[Date]

MUFG Union Bank, N.A.
445 South Figueroa Street
Los Angeles, California 90071
Attention: Lisa Smith

MUFG Union Bank, N.A.
Commercial Loan Operations
1980 Saturn Street, 1st Floor
MC V01-120
Monterey Park, California 91755
Attention: Rhonda Brooks and
Sandra Scheltens

Ladies and Gentlemen:

Reference is made to the Revolving Credit Agreement dated as of July 1, 2016 (together with any amendments or supplements thereto, the "*Agreement*") by and between the undersigned, the City of Long Beach, California, acting by and through its Board of Harbor Commissioners (with its successors, the "*Borrower*") and MUFG Union Bank, N.A. (with its successors and assigns, the "*Lender*"). Capitalized terms not otherwise defined herein have the meaning set forth in the Agreement.

The Borrower hereby requests, pursuant to Section 2.11 of the Agreement, that the Commitment Expiration Date with respect to the Available Commitment as of the date hereof be extended to _____, _____. Pursuant to such Section 2.11, we have enclosed with this request the following information:

1. A reasonably detailed description of any and all Defaults that have occurred and are continuing;
2. Confirmation that all representations and warranties of the Borrower as set forth in Article VII of the Agreement and each Related Document are true and correct as though made on the date hereof and that no Default or Event of Default has occurred and is continuing on the date hereof; and
3. Any other pertinent information previously requested by the Lender.

The Lender is asked to notify the Borrower of its decision with respect to this request within 30 days of the date of receipt hereof. If the Lender fails to notify the Borrower of the Lender's decision within such 30-day period, the Lender shall be deemed to have rejected such request.

Very truly yours,

CITY OF LONG BEACH, CALIFORNIA,
acting by and through its
Board of Harbor Commissioners

By: _____
Designated Representative

EXHIBIT D

[FORM OF NOTICE OF TERMINATION]

NOTICE OF TERMINATION

City of Long Beach, California,
acting by and through its
Board of Harbor Commissioners
Port of Long Beach
415 W. Ocean Boulevard
Long Beach, California 90802
Attention: Managing Director, Finance and Administration

Ladies and Gentlemen:

We refer to the Revolving Credit Agreement dated as of July 1, 2016 (together with any amendments or supplements thereto, the "*Agreement*") by and between the City of Long Beach, California, acting by and through its Board of Harbor Commissioners (with its successors, the "*Borrower*") and MUFG Union Bank, N.A. (with its successors and assigns, the "*Lender*"). Capitalized terms not otherwise defined herein have the meaning set forth in the Agreement.

We hereby notify you that an Event of Default has occurred under Section 8.1[] of the Agreement. As a result, unless and until you have been advised otherwise by us:

1. The Available Commitment **[has been automatically]/[is hereby]** reduced to \$0.00 and the Lender has no further obligation to make Revolving Loans under the Agreement; and
2. The Commitment **[has been automatically]/[is]** terminated and will no longer be reinstated.

IN WITNESS WHEREOF, we have executed and delivered this Notice as of the _____ day of _____, 20____.

Very truly yours,
MUFG UNION BANK, N.A.

By: _____
Name: _____
Title: _____

EXHIBIT E

[FORM OF NOTICE OF TERMINATION OR REDUCTION]

NOTICE OF TERMINATION OR REDUCTION

[Date]

MUFG Union Bank, N.A.
445 South Figueroa Street
Los Angeles, California 90071
Attention: Lisa Smith

MUFG Union Bank, N.A.
Commercial Loan Operations
1980 Saturn Street, 1st Floor
MC V01-120
Monterey Park, California 91755
Attention: Rhonda Brooks and
Sandra Scheltens

Ladies and Gentlemen:

Re: Revolving Credit Agreement dated as of July 1, 2016

The City of Long Beach, California, acting by and through its Board of Harbor Commissioners (with its successors, the "*Borrower*") and through its undersigned, a Designated Representative, hereby certifies to MUFG Union Bank, N.A. (the "*Lender*"), with reference to the Revolving Credit Agreement dated as of July 1, 2016 (together with any amendments or supplements thereto, the "*Agreement*") by and between the Borrower and the Lender (the terms defined therein and not otherwise defined herein being used herein as therein defined):

[(1) The Borrower hereby informs you that the Commitment is terminated in accordance with the Agreement.]

OR

[(1) The Borrower hereby informs you that the Available Commitment is reduced from [insert amount as of the date of Certificate] to [insert new amount], such reduction to be effective on _____.]

IN WITNESS WHEREOF, the Borrower has executed and delivered this Notice as of this
_____ day of _____, 20____.

Very truly yours,

CITY OF LONG BEACH, CALIFORNIA,
acting by and through its
Board of Harbor Commissioners

By: _____
Designated Representative

EXHIBIT F

[FORM OF NOTICE OF REDUCTION]

NOTICE OF REDUCTION

[Date]

City of Long Beach, California,
acting by and through its
Board of Harbor Commissioners
Port of Long Beach
415 W. Ocean Boulevard
Long Beach, California 90802
Attention: Managing Director, Finance and Administration

Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.10(a) of the Revolving Credit Agreement, dated as of July 1, 2016, by and between the City of Long Beach, California, acting by and through its Board of Harbor Commissioners and the undersigned, MUFG Union Bank, N.A., the Available Commitment is reduced from **[insert amount as of the date of Certificate]** to **[insert new amount]**, such reduction to be effective on _____. Capitalized terms not otherwise defined herein have the meaning set forth in the Agreement.

Very truly yours,

MUFG UNION BANK, N.A.

By: _____
Name: _____
Title: _____

EXHIBIT G

[FORM OF NOTICE OF EXTENSION]

NOTICE OF EXTENSION

[Date]

City of Long Beach, California,
acting by and through its
Board of Harbor Commissioners
Port of Long Beach
415 W. Ocean Boulevard
Long Beach, California 90802
Attention: Managing Director, Finance and Administration

Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.11 of the Revolving Credit Agreement, dated as of July 1, 2016, by and between the City of Long Beach, California, acting by and through its Board of Harbor Commissioners (with its successors, the "*Borrower*") and the undersigned, MUFG Union Bank, N.A. (with its successors, the "*Lender*"), the Commitment Expiration Date with respect to the Commitment as of the date hereof shall be extended to _____, _____. Your acknowledgment hereof shall be deemed to be your representation and warranty that all your representations and warranties contained in Article VII of the Agreement and each other Related Document are true and correct and will be true and correct as of the date hereof and that no Default or Event of Default has occurred and is continuing.

Capitalized terms not otherwise defined herein have the meaning set forth in the Agreement.

MUFG UNION BANK, N.A.

By: _____
Name: _____
Title: _____

Acknowledged as of _____, _____ by

CITY OF LONG BEACH, CALIFORNIA,
acting by and through its
Board of Harbor Commissioners

By: _____
Designated Representative

EXHIBIT H

[FORM OF NOTICE OF CONFIRMATION CERTIFICATE]

NOTICE OF CONFIRMATION CERTIFICATE

[Date]

MUFG Union Bank, N.A.
445 South Figueroa Street
Los Angeles, California 90071
Attention: Lisa Smith

Re: Revolving Credit Agreement dated as of July 1, 2016

[Total Amount of Tax-Exempt Revolving Loan to be Converted to a Tax-Exempt Term Loan: \$ _____; Total Amount of Taxable Revolving Loan to be converted to a Taxable Term Loan: \$ _____;]

Ladies and Gentlemen:

We hereby certify to you pursuant to Section 2.18(a) of the Revolving Credit Agreement, dated as of July 1, 2016 (the "*Agreement*"), by and between the City of Long Beach, California, acting by and through its Board of Harbor Commissioners (with its successors, the "*Borrower*") and the undersigned, MUFG Union Bank, N.A. (with its successors, the "*Lender*"), that:

(i) the representations and warranties of the Borrower in the Agreement and in each of the other Related Documents and each certificate, letter, other writing or instrument delivered by the Borrower to the Lender pursuant to the Agreement or thereto are true and correct on and as of the date hereof as though made on and as of such date; and

(ii) no Default or Event of Default has occurred and is continuing as of such Conversion Date or would result from converting the Revolving Loan to a Term Loan as requested.

Capitalized terms not otherwise defined herein have the meaning set forth in the Agreement.

Very truly yours,

CITY OF LONG BEACH, CALIFORNIA,
acting by and through its
Board of Harbor Commissioners

By: _____
Designated Representative