

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS: See “RATINGS” herein.

In the opinion of Kutak Rock LLP, Note Counsel to the City, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2020C Senior Notes is excluded from gross income for federal income tax purposes and interest on the Series 2020C Senior Notes is not an item of tax preference for purposes of the federal alternative minimum tax. Note Counsel is further of the opinion that interest on the Series 2020C Senior Notes is exempt from present State of California personal income taxes. For a more complete description, see “TAX MATTERS” herein.

\$_[]\$*

CITY OF LONG BEACH, CALIFORNIA
Harbor Revenue Short-Term Notes
Series 2020C

[City Logo]

[Port Logo]

Dated: Date of Delivery

Due: [], 20[]

The City of Long Beach, California (the “City”), acting by and through its Board of Harbor Commissioners (the “Board”), is issuing its Harbor Revenue Short-Term Notes, Series 2020C (the “Series 2020C Senior Notes”), the proceeds of which will be used for the purposes of (a) paying and/or reimbursing the Harbor Department of the City of Long Beach (the “Harbor Department”) for capital expenditures incurred or to be incurred by the Harbor Department at the Port of Long Beach (the “Port”), including, but not limited to, the construction of the replacement for the Gerald Desmond Bridge, (b) funding capitalized interest on the Series 2020C Senior Notes through approximately [], and (c) paying the financing costs and the costs of issuing the Series 2020C Senior Notes, as described herein. See “PLAN OF FINANCE.”

The Series 2020C Senior Notes will be issued as fully registered notes in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company (“DTC”), New York, New York. Individual purchases and sales of the Series 2020C Senior Notes may be made in book-entry form only in denominations of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Series 2020C Senior Notes. Interest on the Series 2020C Senior Notes will be payable on [] and [] of each year, commencing on [], 2020. So long as the Series 2020C Senior Notes are held by DTC, the principal of and interest on the Series 2020C Senior Notes will be payable by wire transfer to DTC, which in turn will be required to remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Series 2020C Senior Notes, as more fully described herein.

The Series 2020C Senior Notes are not subject to redemption prior to maturity.

The Series 2020C Senior Notes are special, limited obligations of the City and are secured by a pledge of and lien upon and will be a charge upon and will be payable solely from the Revenues and certain funds and accounts pledged under the Senior Resolution on parity with all other Senior Bonds. The Series 2020C Senior Notes are not a debt of 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 Revenues and the funds and accounts specifically pledged to the payment thereof. The general fund of the City is not liable for the payment of the Series 2020C Senior Notes or interest thereon, nor is the credit or the taxing power of the City pledged therefor. An Owner of the Series 2020C Senior Notes may not compel the exercise of the taxing power of the City or the forfeiture of any of its property. The Series 2020C Senior Notes will be issued on a parity with the Existing Senior Bonds & Notes, which as of January 1, 2020 were outstanding in the aggregate principal amount of \$[1,063,185,000], and any additional Senior Bonds issued in the future. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES.”

The Harbor Department is currently in the process of requesting and applying for an additional loan from the U.S. Department of Transportation, acting by and through the Executive Director of the Build America Bureau (currently requested in the amount of \$145 million) to finance or refinance additional costs of the Gerald Desmond Bridge Replacement Project (the “Additional Subordinate TIFIA Loan”). The proceeds of the Additional Subordinate TIFIA Loan, if received, are anticipated to be available to pay the principal of the Series 2020C Senior Notes on their maturity date and/or to pay additional federally eligible costs of the Gerald Desmond Bridge Replacement Project.

See “PLAN OF FINANCE—Gerald Desmond Bridge Replacement Project.”

This cover page is not intended to be a summary of the terms of, or security for, the Series 2020C Senior Notes. Investors are advised to read the Official Statement in its entirety to obtain information essential to the making of an informed investment decision, giving particular attention to the matters discussed under “CERTAIN INVESTMENT CONSIDERATIONS.” Capitalized terms used on this cover page and not otherwise defined have the meanings set forth herein.

The Series 2020C Senior Notes are offered, when, as and if issued by the City, subject to the approval of validity by Kutak Rock LLP, Note Counsel to the City, and to certain other conditions. Certain matters will be passed upon for the City by the City Attorney of the City of Long Beach, and by Hawkins Delafield & Wood LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Nixon Peabody LLP. It is expected that the Series 2020C Senior Notes will be available for delivery through the facilities of DTC on or about [March 3], 2020.

Citigroup

Backstrom McCarley Berry & Co.

RBC Capital Markets

Stifel

Date of Official Statement: [], 2020.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE

\$[_____]*
City of Long Beach, California
Harbor Revenue Short-Term Notes
Series 2020C

Maturity Date ([_____])	Principal Amount	Interest Rate	Yield	Price	CUSIP No. †
20[___]	\$[_____]*	%	%		

* Preliminary, subject to change.

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[Insert Map of Port]

**HARBOR DEPARTMENT OF THE CITY OF LONG BEACH
BOARD OF HARBOR COMMISSIONERS**

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Frank Colonna
Vice President

Lou Anne Bynum
Secretary

Tracy J. Egoscue
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Steven Neal
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Chief of Staff to Board of Harbor Commissioners

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Administration and Operations*

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*Deputy Executive Director,
Planning and Environmental Affairs*

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*Managing Director,
Finance & Administration*

Wei Chi
Director of Finance

CITY OF LONG BEACH, CALIFORNIA

CITY COUNCIL

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Mayor

Dee Andrews
Vice Mayor, Sixth District

Mary Zendejas, *First District*
Jeannine Pearce, *Second District*
Suzie Price, *Third District*
Daryl Supernaw, *Fourth District*

Stacy Mungo, *Fifth District*
Roberto Uranga, *Seventh District*
Al Austin, *Eighth District*
Rex Richardson, *Ninth District*

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Financial Management, CFO

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City Treasurer

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City Prosecutor

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City Auditor

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City Clerk

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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City, the Board, the Harbor Department or the Underwriters to give any information or to make any representations with respect to the offer or sale of the Series 2020C Senior Notes other than as set forth in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the City, the Board, the Harbor Department or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2020C Senior Notes by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2020C Senior Notes. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City, the Harbor Department or the Port of Long Beach since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2020C Senior Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the City’s or the Harbor Department’s forecasts in any way, regardless of the level of optimism communicated in the information. Neither the City nor the Harbor Department are obligated to issue any updates or revisions to the forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based occur.

In connection with the offering of the Series 2020C Senior Notes, the Underwriters may overallocate or effect transactions that stabilize or maintain the market prices of the Series 2020C Senior Notes at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2020C Senior Notes to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriters.

The Series 2020C Senior Notes have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), in reliance upon an exemption from the registration requirements contained in the Securities Act. The Series 2020C Senior Notes have not been registered or qualified under the securities laws of any state. The Senior Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption contained therein.

The City and the Harbor Department maintain websites, however, the information presented on such websites is not a part of this Official Statement and should not be relied on in making an investment decision with respect to the Series 2020C Senior Notes.

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OFFICIAL STATEMENT

\$[_____]*
CITY OF LONG BEACH, CALIFORNIA
Harbor Revenue Short-Term Notes
Series 2020C

INTRODUCTION

This Introduction is qualified in its entirety by reference to the more detailed information included and referred to elsewhere in this Official Statement. The offering of the Series 2020C Senior Notes (as defined below) to potential investors is made only by means of this entire Official Statement. Capitalized terms used in this Official Statement and not otherwise defined will have the respective meanings assigned to them in “APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR RESOLUTION—CERTAIN DEFINITIONS.”

General

The purpose of this Official Statement, which includes the cover page, inside cover pages, table of contents and appendices hereto, is to provide certain information concerning the sale and delivery by the City of Long Beach, California (the “City”), acting by and through the Board of Harbor Commissioners of the City (the “Board”), of \$[_____]* aggregate principal amount of City of Long Beach, California, Harbor Revenue Short-Term Notes, Series 2020C (the “Series 2020C Senior Notes”).

The City, the Harbor Department and the Board

The City is a municipal corporation and chartered city organized and existing under the Charter of the City of Long Beach, California (the “Charter”) and the Constitution and the laws of the State of California (the “State”). The Harbor Department of the City (the “Harbor Department”) was created in 1931 by an amendment to the Charter to promote, develop and operate the Port of Long Beach (the “Port”). The Charter confers on the Board exclusive control and management of the Harbor Department and control and jurisdiction over the Harbor District (as defined herein) other than the tide and submerged lands granted to the City and the State used for, or in connection with the drilling for, developing, producing, extracting, processing, taking or removing, storing and disposing of oil, gas and other hydrocarbon substances. See “THE PORT OF LONG BEACH” for additional information about the Harbor Department, the Port and the Board.

The Port of Long Beach

The Port is a harbor complex that covers approximately 12 square miles, of which approximately 6.9 square miles is water. The Port has approximately 31.5 miles of waterfront with a 76-foot deep main channel, and 65 deep-water berths, several of which are and will be capable of servicing the largest commercial ships currently afloat and the largest commercial ships currently being designed, with equipment and facilities for handling all types of cargo.

According to the American Association of Port Authorities, the Port was the number two-ranked container port in the nation in terms of container cargo for the year ended December 31, 2018.¹ The facilities at the Port moved approximately 8.1 million Twenty-Foot Equivalent Units (“TEUs”) during the calendar year ended December 31, 2018. (A “TEU” is a twenty-foot equivalent unit, which is a measure of volume in units of twenty-foot long containers.) According to statistics compiled by Alphaliner, during calendar year 2018, the Port was the 20th busiest container port in the world.² As a comparison point, the facilities at the Port moved

* Preliminary, subject to change.

¹ Statistics and ranking from the American Association of Port Authorities for calendar year 2019 are not yet available.

² Statistics and ranking from Alphaliner for calendar year 2019 are not yet available.

approximately 7.7 million TEUs (unaudited) for the Fiscal Year ended September 30, 2019. See “THE PORT OF LONG BEACH” for additional information about the Port.

Plan of Finance

Proceeds of the Series 2020C Senior Notes will be used for the purposes of (a) paying and/or reimbursing the Harbor Department for capital expenditures incurred or to be incurred by the Harbor Department at the Port, including, but not limited to, the construction of the replacement for the Gerald Desmond Bridge, (b) funding capitalized interest on the Series 2020C Senior Notes through approximately [_____], and (c) paying the financing costs and the costs of issuing the Series 2020C Senior Notes, all as further described herein. See “PLAN OF FINANCE.”

The Series 2020C Senior Notes

The Series 2020C Senior Notes are authorized and being issued pursuant to Article XII of the Charter, Title 3, Chapter 3.52, Division I of the Municipal Code of the City, certain provisions of the Revenue Bond Law of 1941, Section 54300, *et seq.*, of the Government Code of the State of California, Resolution No. HD-[____], adopted by the Board on January [13], 2020 (“Resolution No. HD-[____]”), Resolution No. HD 1475, adopted by the Board on November 8, 1989, as amended and supplemented (the “Master Senior Resolution”), and the Twenty-Fourth Supplemental Senior Resolution, which, as provided for in Resolution No. HD-[____], will be adopted by the Board after the execution and delivery of the Note Purchase Agreement (as defined herein) (the “Twenty-Fourth Supplemental Senior Resolution,” and together with the Master Senior Resolution, the “Senior Resolution”). The Twenty-Fourth Supplemental Senior Resolution is currently scheduled to be adopted by the Board on February [24], 2020.

The Series 2020C Senior Notes will be dated their initial date of delivery, will mature on [____], 20[___], and will bear interest at the rates shown on the inside cover page hereof, calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest will be payable semiannually on [_____] and [_____] of each year commencing [____], 2020. The Series 2020C Senior Notes are not subject to redemption prior to maturity.

The Series 2020C Senior Notes will be issued as fully registered notes and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2020C Senior Notes. Upon receipt of payments of principal and interest, DTC will remit such principal and interest to the Direct Participants (as defined herein) for subsequent disbursement by the Direct Participants and the Indirect Participants (as defined herein) to the Beneficial Owners (as defined herein) of the Series 2020C Senior Notes. See “APPENDIX F—BOOK ENTRY ONLY SYSTEM.”

Security for Series 2020C Senior Notes

The Series 2020C Senior Notes are special, limited obligations of the City and are secured by a pledge of and lien upon and will be a charge upon and will be payable from Revenues (as defined herein) and certain funds and accounts pledged under the Senior Resolution on parity with all other Senior Bonds (as defined herein). The Series 2020C Senior Notes are not a debt of 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 Revenues and the funds and accounts specifically pledged to the payment thereof. The general fund of the City is not liable for the payment of the Series 2020C Senior Notes or any interest thereon, nor is the credit or the taxing power of the City pledged therefor. An Owner of the Series 2020C Senior Notes may not compel the exercise of the taxing power of the City or the forfeiture of any of its property.

Revenues generally consist of all revenues and all money secured or collected for the benefit of and received by the Board from or arising out of the use or operation of the Port, but exclude revenues arising from any lease, contract or other agreement providing for the drilling for, developing, producing, extracting, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances from the tide and submerged lands granted to the City by the State. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES.”

See “—Additional Subordinate TIFIA Loan and Subordinate Revolving Obligations” below for a discussion of the Additional Subordinate TIFIA Loan (as defined herein) and the potential use of the proceeds of such loan to pay the principal of the Series 2020C Senior Notes at maturity. See also “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES—Use of Proceeds of Additional Subordinate TIFIA Loan and/or Other Amounts to Pay Series 2020C Senior Notes.”

Rate Covenant

Rates, charges, rentals and fees for the use of the Port are established by the Board. The Board has covenanted in the Master Senior Resolution to establish and collect rates, charges, rentals and fees that will produce Revenues in each Fiscal Year (as defined below) equal to 1.25 times Maximum Annual Debt Service on the Senior Bonds, and that, together with other moneys available or reasonably expected to be available, will be sufficient to pay debt service on all Senior Bonds and to pay the expenses of operating and maintaining the Port. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES—Rate Covenant.” The City’s and the Harbor Department’s “Fiscal Year” currently begins on October 1 and ends on September 30 of the immediately following year.

Outstanding Senior Bonds & Notes

Pursuant to the Master Senior Resolution, the City, acting by and through the Board, has previously issued and, as of January 1, 2020, there was outstanding \$1,063,185,000 aggregate principal amount of the City of Long Beach, California Harbor Revenue Bonds, Series 2010A (the “Series 2010A Senior Bonds”), the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2010B (the “Series 2010B Senior Bonds”), the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2014B (the “Series 2014B Senior Bonds”), the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015A (AMT) (the “Series 2015A Senior Bonds”), the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015B (Non-AMT) (the “Series 2015B Senior Bonds”), the City of Long Beach, California Harbor Revenue Bonds, Series 2015C (AMT) (the “Series 2015C Senior Bonds”), the City of Long Beach, California Harbor Revenue Bonds, Series 2015D (Non-AMT) (the “Series 2015D Senior Bonds”), the City of Long Beach, California Harbor Revenue Bonds, Series 2017A (AMT) (the “Series 2017A Senior Bonds”), the City of Long Beach, California Harbor Revenue Bonds, Series 2017B (AMT) (Green Bonds) (the “Series 2017B Senior Bonds”), the City of Long Beach, California Harbor Revenue Bonds, Series 2017C (Non-AMT) (the “Series 2017C Senior Bonds”), the City of Long Beach, California Harbor Revenue Refunding Short-Term Notes, Series 2018A (the “Series 2018A Senior Notes”) and the City of Long Beach, California Harbor Revenue Bonds, Series 2019A (Non-AMT) (the “Series 2019A Senior Bonds” and collectively with the Series 2010A Senior Bonds, the Series 2010B Senior Bonds, the Series 2014B Senior Bonds, the Series 2015A Senior Bonds, the Series 2015B Senior Bonds, the Series 2015C Senior Bonds, the Series 2015D Senior Bonds, the Series 2017A Senior Bonds, the Series 2017B Senior Bonds, the Series 2017C Senior Bonds and the Series 2018A Senior Notes, the “Existing Senior Bonds & Notes”).

On or about [February 19], 2020, the City, acting by and through the Board, intends to issue \$[_____] aggregate principal amount of the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT) (the “Series 2020A Senior Bonds”) and the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT) (the “Series 2020B Senior Bonds” and together with the Series 2020A Senior Bonds, the “Series 2020 Senior Bonds”) for the purpose of, together with certain other available moneys, (a) current refunding and defeasing the Series 2010

Senior Bonds and (b) paying the financing costs and the costs of issuing the Series 2020 Senior Bonds. The issuance of the Series 2020 Senior Bonds and the current refunding and defeasance of the Series 2010 Senior Bonds are subject to market conditions, and the Board will only issue the Series 2020 Senior Bonds and current refund and defease the Series 2010 Senior Bonds if such issuance and refunding result in acceptable debt service savings to the Board.

The Existing Senior Bonds & Notes, the Series 2020 Senior Bonds (if issued), the Series 2020C Senior Notes and any additional Senior Bonds issued pursuant to the terms of the Master Senior Resolution are collectively referred to herein as the “Senior Bonds.” The Senior Bonds are secured by a pledge of and lien upon and will be a charge upon and will be payable from Revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES” and “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE.”

Subordinate Obligations

The City, acting by and through the Board, entered into a loan agreement, dated as of May 21, 2014, as amended from time to time (the “2014 Subordinate TIFIA Loan Agreement”) with the U.S. Department of Transportation, acting by and through the Federal Highway Administrator (the “2014 Subordinate TIFIA Lender”), pursuant to which the 2014 Subordinate TIFIA Lender, subject to certain conditions, agreed to make a loan to the City, acting by and through the Board, in an amount not to exceed \$325 million (the “2014 Subordinate TIFIA Loan”), the proceeds of which, if drawn, will be used by the Harbor Department to finance and refinance a portion of the costs of constructing a replacement bridge for the existing Gerald Desmond Bridge located at the Port (the “Gerald Desmond Bridge Replacement Project”). If drawn, the 2014 Subordinate TIFIA Loan will be secured by a pledge of Subordinate Revenues (consisting of Revenues minus the payment of debt service on the Senior Bonds (including the Series 2020C Senior Notes) and the required deposits to any debt service reserve fund established with respect to the Senior Bonds) on parity with the Subordinate Revolving Obligations (defined below). Pursuant to the terms of Resolution No. HD-2933 adopted by the Board on September 24, 2018 (the “Twenty-First Supplemental Senior Resolution”), the Board has reserved the right to (but is not obligated to) use all or a portion of the proceeds of the 2014 Subordinate TIFIA Loan to pay a portion of the principal of the Series 2018A Senior Notes on their maturity date (December 15, 2020), or any obligations that may be issued to refinance the Series 2018A Senior Notes, and/or to pay additional federally eligible costs of the Gerald Desmond Bridge Replacement Project. The 2014 Subordinate TIFIA Loan has not yet been drawn and the Harbor Department is not required to draw on the 2014 Subordinate TIFIA Loan. The Harbor Department expects to draw, if ever, on the 2014 Subordinate TIFIA Loan no later than [_____] 2021, which is one year after substantial completion of the Gerald Desmond Bridge Replacement Project (currently projected to be by [June 2020]). See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations)” and “CAPITAL DEVELOPMENT PROGRAM—2019-28 Capital Plan—Gerald Desmond Bridge Replacement Project.”

Pursuant to Resolution No. HD-2726 adopted by the Board on July 16, 2013, as amended (the “Master Subordinate Resolution”), Resolution No. HD-2728 adopted by the Board on July 16, 2013 (the “Second Supplemental Subordinate Resolution”), Resolution No. HD-2852 adopted by the Board on June 30, 2016 (the “Fifth Supplemental Subordinate Resolution,” and together with the Second Supplemental Subordinate Resolution, the “Subordinate Revolving Obligations Supplemental Resolutions”), and the Revolving Credit Agreement, dated as of July 1, 2016, as amended (the “Subordinate Revolving Obligations Credit Agreement”), by and between the City, acting by and through the Board, and MUFG Union Bank, N.A. (the “Subordinate Revolving Obligations Bank”), the City, acting by and through the Board, is authorized to issue and have outstanding, from time to time, up to \$200 million in aggregate principal amount of its City of Long Beach, California Subordinate Harbor Revenue Revolving Obligations Series B (Tax-Exempt) (the “Series B Subordinate Revolving Obligations”), and its City of Long Beach, California Subordinate Harbor Revenue Revolving Obligations Series C (Taxable) (the “Series C Subordinate Revolving Obligations,” and together with the Series B Subordinate Revolving Obligations, the “Subordinate Revolving Obligations”). As of January 1,

2020, there were [no Subordinate Revolving Obligations outstanding]. The Subordinate Revolving Obligations are secured by a pledge of Subordinate Revenues on parity with the 2014 Subordinate TIFIA Loan (if drawn) and the Additional Subordinate TIFIA Loan (if received and if drawn). All Subordinate Revolving Obligations issued by the City, acting by and through the Board, are purchased by the Subordinate Revolving Obligations Bank in accordance with the terms of the Subordinate Revolving Obligations Credit Agreement.

[TO BE UPDATED: In addition to the 2014 Subordinate TIFIA Loan, in April 2018, the Harbor Department submitted a letter of interest with the U.S. Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the “Additional Subordinate TIFIA Lender”) requesting that the Additional Subordinate TIFIA Lender make an additional loan to the Harbor Department (currently requested in the amount of \$145 million) to finance or refinance additional costs of the Gerald Desmond Bridge Replacement Project (the “Additional Subordinate TIFIA Loan”). On April 16, 2019, the Harbor Department was informed by the Additional Subordinate TIFIA Lender that its letter of interest has been advanced to the “creditworthiness review stage.” On [____], 2019, the DOT Council on Credit and Finance considered the Harbor’s Department request for an additional loan. Thereafter, on [____], 2019, the Harbor Department was invited by the TIFIA Joint Program Office to submit a formal application for the additional loan and the Harbor Department submitted such formal application on [____], 2019. If such application is approved by the Additional Subordinate TIFIA Lender, the Harbor Department anticipates that the Additional Subordinate TIFIA Loan will be secured by a pledge of Subordinate Revenues on parity with the 2014 Subordinate TIFIA Loan (if drawn) and the Subordinate Revolving Obligations. The proceeds of the Additional Subordinate TIFIA Loan, if received, are anticipated to be available to pay the principal of the Series 2020C Senior Notes on their maturity date and/or to pay additional federally eligible costs of the Gerald Desmond Bridge Replacement Project. The Harbor Department and the Additional Subordinate TIFIA Lender are currently negotiating the terms of the loan agreement for the Additional Subordinate TIFIA Loan. As of the date of this Official Statement, the Harbor Department expects the terms of this new loan agreement will be substantially similar to the terms of the 2014 Subordinate TIFIA Loan Agreement.]

The 2014 Subordinate TIFIA Loan (if drawn), the Subordinate Revolving Obligations and any additional obligations issued pursuant to the terms of the Master Subordinate Resolution (including the Additional Subordinate TIFIA Loan (if received and if drawn)) are collectively referred to herein as “Subordinate Obligations.”

See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations).”

Capital Development Program

The Harbor Department maintains the Port Master Plan, a long-range plan of land use and anticipated capital projects and improvements to be undertaken at the Port. On October 17, 1978 the California Coastal Commission (the “CCC”) certified the Port Master Plan as being in conformance with the policies of Chapters 8 and 3 of the California Coastal Act. The Port Master Plan has been amended on numerous occasions since 1978. The purpose of the Port Master Plan is to provide the Harbor Department with a planning tool to guide future Port development and to ensure that projects and developments in the Harbor District are consistent with the requirements of the California Coastal Act of 1976, as amended (the “California Coastal Act”). The Port Master Plan identifies proposed uses of land and water areas within the Harbor District and establishes a flexible framework allowing for development of the Port and is updated periodically.

The Harbor Department is currently in the process of reviewing and updating the Port Master Plan. The update process is guided by the California Coastal Act and involves evaluation of land use and water use designations, reconfiguration of planning districts, and identification of anticipated projects. In addition, the update will incorporate previously certified Port Master Plan amendments and update the overall goals and policies for long-range development. The update to the Port Master Plan is needed to consider changes in the global shipping industry, technological advances, and important factors such as climate change and energy

resources consistent with Harbor Department’s “Green Port Policy” objectives. The update also will revise the guidelines for public access to the waterfront by reviewing the vision for development of future recreation areas and facilities.

The Harbor Department recognizes that stakeholder engagement is an important element at the core of the Master Plan Update process. Reflecting a commitment to a transparent, comprehensive and inclusive planning process, the Harbor Department continues to provide opportunities for stakeholder feedback through a variety of activities. One significant outcome of the stakeholder engagement process is the development of goals. The draft goals set the overall direction of long-range planning for the Master Plan Update and encompass the broad range of priorities for the Harbor Department, from modernizing facilities to providing community assets.

In June 2017, the Harbor Department selected Leidos, Inc. to provide consulting assistance to the Harbor Department with updating the Port Master Plan, evaluating the environmental impacts of proposed development and land uses, and seeking approval of the updated Port Master Plan by the Board and the California Coastal Commission. The Harbor Department anticipates certification of the update to the Port Master Plan by CCC in 2020.

In addition to the Port Master Plan, the Harbor Department maintains a 10-year capital plan that sets forth the specific projects the Harbor Department expects to develop and construct over the next ten years. The Harbor Department’s current 10-year capital plan (the “2019-28 Capital Plan”) includes capital projects and improvements to be undertaken at the Port between Fiscal Years 2020 and 2029. The 2019-28 Capital Plan includes the following projects: the Gerald Desmond Bridge Replacement Project, the expansion and modernization of the shipping terminals on Piers D, E, F and G, the expansion of on-dock rail facilities and the supporting rail network serving the terminals, the construction of two fireboat stations, the installation of various security improvements, and various other infrastructure projects at the Port (including street, storm drain, sewer and water systems projects). As of the date of this Official Statement, the 2019-28 Capital Plan has an aggregate estimated cost of approximately \$2.3 billion (including the approximately \$235 million Port Headquarters Building completed in Fiscal Year 2019). The Harbor Department expects to finance the costs of the 2019-28 Capital Plan with the following sources: (i) \$145 million of proceeds of the Series 2020C Senior Notes or the Additional Subordinate TIFIA Loan, if received; (ii) \$1.585 billion of revenues of the Harbor Department; (iii) \$305 million of proceeds of existing Senior Bonds; and (iv) \$265 million of federal and State grants and other sources of funds. In the event any of the expected federal and State grants are not received by the Harbor Department, the Harbor Department expects it will seek other sources of funding to complete these projects. See “CAPITAL DEVELOPMENT PROGRAM.”

Property Agreements

The Harbor Department operates the Port as a landlord through various property agreements entered into with tenants of the Port. The property agreements entered into by the Board, which convey the right to use, rent or lease Port assets, include leases, preferential assignment agreements, revocable permits, area assignments and pipeline licenses. Pursuant to the property agreements, the tenants of the Port pay tariff charges (including, but not limited to, wharfage (the charge assessed when cargo crosses the wharf), dockage (the charge assessed for docking a vessel at a berth)) and other fees to the Harbor Department for the right to use, rent or lease Port facilities. Most of the Port’s long-term property agreements contain guaranteed annual minimum payments. For Fiscal Year 2019, the long-term property agreements (in the form of preferential assignment agreements) with the Port’s container terminal operators contained guaranteed annual minimum payments of approximately \$282 million (unaudited). Over the last five Fiscal Years, property agreements covering waterfront property and facilities generated in excess of 95% (unaudited) of the Harbor Department’s operating revenues. See “THE PORT OF LONG BEACH—Property Agreements” for additional information on the property agreements entered into by the Board.

Continuing Disclosure

The City, acting by and through the Board, will covenant to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system (“EMMA”), for purposes of Rule 15c2-12(b)(5) (“Rule 15c2-12”) adopted by the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended, certain annual financial information and operating data relating to the Harbor Department and the Port, and, in a timely manner, notice of certain enumerated events. These covenants are made in order to assist the Underwriters (as defined herein) of the Series 2020C Senior Notes in complying with Rule 15c2-12. See “CONTINUING DISCLOSURE” and “APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Amendments to Master Senior Resolution

Pursuant to Resolution No. HD-2762 adopted by the Board on May 5, 2014 (the “Sixteenth Supplemental Senior Resolution”), the City, acting by and through the Board, approved certain amendments to the Master Senior Resolution (the “Master Senior Resolution Amendments”), which are described in Appendix E hereto. By the purchase and acceptance of the Series 2020C Senior Notes, the Owners and Beneficial Owners of the Series 2020C Senior Notes are deemed to have consented to the Master Senior Resolution Amendments. The Underwriters of the Series 2020C Senior Notes will not be providing any consents on behalf of the Owners and Beneficial Owners of the Series 2020C Senior Notes. The Master Senior Resolution Amendments will become effective upon the issuance of the Series 2020 Senior Bonds and the defeasance of the Series 2010A Senior Bonds and the Series 2010B Senior Bonds (collectively, the “Series 2010 Senior Bonds”) with the proceeds of the Series 2020 Senior Bonds (if issued).

Forward-Looking Statements

This Official Statement, including the appendices hereto, contains statements relating to future results that are “forward-looking statements.” When used in this Official Statement, the words “estimate,” “anticipate,” “forecast,” “project,” “intend,” “propose,” “plan,” “expect” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Additional Information

Brief descriptions of the Series 2020C Senior Notes, the Senior Resolution, the Fiscal Agent Agreement and certain other documents are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, report or other instrument. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will under any circumstances, create any implication that there has been no change in the affairs of the Board, the Harbor Department or the Port since the date hereof. This Official Statement is not to be construed as a contract or agreement between the City and/or the Board and the purchasers or Owners of any of the Series 2020C Senior Notes. The City, the Harbor Department and the Port maintain certain websites, the information on which is not part of this Official Statement, is not incorporated by reference herein and should not be relied upon in deciding whether to invest in the Series 2020C Senior Notes.

PLAN OF FINANCE

Plan of Finance

Proceeds from the sale of the Series 2020C Senior Notes will be used for the purposes of (a) paying and/or reimbursing the Harbor Department for capital expenditures incurred or to be incurred by the Harbor Department at the Port, including, but not limited to, the construction of the replacement for the Gerald Desmond Bridge, (b) funding capitalized interest on the Series 2020C Senior Notes through approximately [_____], and (c) paying the financing costs and the costs of issuing the Series 2020C Senior Notes, all as further described herein.

Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2020C Senior Notes and the Plan of Finance described above.

Sources

Principal Amount
Original Issue Premium/(Discount)
Total Sources

Uses

Deposit to Series 2020C Construction Fund
Capitalized Interest on Series 2020C Senior
Notes ⁽²⁾
Costs of Issuance ⁽²⁾
Total Uses

⁽¹⁾ Represents interest accruing on the Series 2020C Senior Notes through approximately [_____].

⁽²⁾ Includes underwriters' discount, legal costs and expenses and other costs of issuance.

Gerald Desmond Bridge Replacement Project

The Gerald Desmond Bridge Replacement Project consists of replacing the existing four-lane Gerald Desmond Bridge, which spans the Port's Main Channel, with a new six-lane bridge and higher clearance. Currently, the Gerald Desmond Bridge is only two lanes in each direction with no shoulder and, depending on tide conditions, is too low to accommodate passage of the largest ships. The Gerald Desmond Bridge is a vital link in the goods movement infrastructure for the Port and the neighboring Port of Los Angeles (together, the "San Pedro Bay Ports") because it connects to 710 Freeway, which is the primary access route for the San Pedro Bay Ports and carries approximately 15% of all U.S. port-related container traffic. The new bridge will provide improved traffic flow, emergency lanes on both the inner and outer shoulders in each direction to reduce traffic delays and safety hazards from accidents and vehicle breakdowns, a 205-foot vertical clearance to accommodate taller vessels, a reduction in the bridge's steep grades, and a bicycle/pedestrian path with scenic overlooks. Additional improvements include reconstruction of the Terminal Island East Interchange and a new interchange with the 710 Freeway.

As of the date of this Official Statement, the Gerald Desmond Bridge Replacement Project is budgeted to cost approximately \$[1.492] billion and is a joint effort between the California Department of Transportation ("Caltrans") and the Harbor Department. The Harbor Department, the Additional Subordinate TIFIA Lender, Caltrans and the Federal Highway Administration are in the process of undertaking a comprehensive review of the cost of the Gerald Desmond Bridge Replacement Project. This review could result in an increase or decrease to the budget for the Gerald Desmond Bridge Replacement Project.

Funding for the Gerald Desmond Bridge Replacement Project is expected to come from numerous sources, including Federal, State, and Local grants (\$[_____] million), and other Harbor Department funds (\$[_____] million, including the \$325 million 2014 Subordinate TIFIA Loan, and \$145 million of proceeds of the Series 2020C Senior Notes or the Additional Subordinate TIFIA Loan, if received). The Harbor Department expects to draw, if ever, the proceeds of the 2014 Subordinate TIFIA Loan or the Additional Subordinate TIFIA Loan, if received, no later than [_____] 2021, which is one year after substantial completion of the Gerald Desmond Bridge Replacement Project (currently projected to be by [June 2020]). See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES—Use of Proceeds of Additional Subordinate TIFIA Loan and/or Other Amounts to Pay Series 2020C Senior Notes” for a discussion of the Harbor Department’s expectation to use proceeds of the Additional Subordinate TIFIA Loan to pay the principal of the Series 2020C Senior Notes on their maturity date and the Harbor Department’s alternative plans for paying the Series 2020C Senior Notes at maturity if the Additional Subordinate TIFIA Loan has not been drawn by the time the Series 2020C Senior Notes mature.

The City, acting by and through the Board, entered into (a) a contract with Parsons Brinkerhoff Inc. to provide program management and construction management services, and (b) a lump-sum design-build contract with Shimmick Construction Company, Inc./FCC Construcción S.A./Impregilo S.p.A., a joint venture (each a “Design Builder” and collectively, the “Design Builders”), with respect to the Gerald Desmond Bridge Replacement Project. As of [_____] 2019, construction of the Gerald Desmond Bridge Replacement Project was approximately [75]% complete. Construction of the new bridge began in 2013 and was originally expected to be completed by the end of 2016. Due to complexities of the site and design, in 2014, the Harbor Department revised the schedule for the Gerald Desmond Bridge Replacement Project, which included changing the date of substantial completion of the bridge (i.e. when the bridge is open to all traffic) to June 2018. However, as of [August 2018], the latest schedule provided by the contractors of the bridge showed a date of substantial completion of [June 2020]. The Harbor Department and the contractors are currently working together to mitigate any additional schedule delays. As of the date of this Official Statement, the Harbor Department cannot predict if substantial completion of the bridge will occur as forecast by the contractor or if additional delays will occur. See “CERTAIN INVESTMENT CONSIDERATIONS—Factors Affecting 2018-27 Capital Plan” and “—Risks Related to the Disbursement of 2014 Subordinate TIFIA Loan and Gerald Desmond Bridge Replacement Project—Market Access Required if 2014 Subordinate TIFIA Loan Proceeds are not Disbursed” and “—Market Access Required if Additional Subordinate TIFIA Loan Proceeds are not Disbursed.” Following completion of the new bridge, the old bridge will be demolished and removed.

Upon completion of the new Gerald Desmond Bridge, ownership of the bridge will be transferred to Caltrans. However, the Harbor Department has agreed to pay Caltrans all operation and maintenance costs with respect to the new bridge for a 30-year period commencing on the date ownership of the bridge is transferred to Caltrans.

DESCRIPTION OF THE SERIES 2020C SENIOR NOTES

General

The Series 2020C Senior Notes will be dated their date of delivery, and will bear interest (calculated on the basis of a 360 day year consisting of twelve 30 day months) from such date at the rates per annum set forth on the inside cover page of this Official Statement, payable semiannually on [_____] and [_____] of each year commencing [_____] 2020 (each an “Interest Payment Date”). Each Series 2020 Senior Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Series 2020 Senior Bond will bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Series 2020 Senior Bond will bear interest from such succeeding Interest Payment Date, or unless such date of authentication is prior to June 1, 2020, in which event such Series 2020 Senior Bond will bear interest from their date of delivery. If interest on the Series 2020C Senior Notes is in default, Series 2020C Senior Notes issued in exchange for Series 2020C Senior Notes

surrendered for transfer or exchange will bear interest from the Interest Payment Date to which interest has been paid in full on the Series 2020C Senior Notes surrendered. The Series 2020C Senior Notes will mature on [_____], 20[___]. The principal of and interest on the Series 2020C Senior Notes will be payable in lawful money of the United States of America.

The Series 2020C Senior Notes will be issued in denominations of \$5,000 and integral multiples thereof. The Series 2020C Senior Notes will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Series 2020C Senior Notes. Individual purchases may be made in book-entry form only. Purchasers will not receive certificates representing their interest in the Series 2020C Senior Notes purchased. So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2020C Senior Notes, references herein to the Owners or registered owners will mean Cede & Co. and will not mean the Beneficial Owners of the Series 2020C Senior Notes.

So long as Cede & Co. is the registered owner of the Series 2020C Senior Notes, principal of and interest on the Series 2020C Senior Notes are payable by wire transfer by U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”) to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to the DTC participants for subsequent disbursement to the Beneficial Owners. See “APPENDIX F—BOOK-ENTRY-ONLY SYSTEM.”

See Appendix B for a summary of certain provisions of the Senior Resolution, including, without limitation, certain covenants of the Board, provisions relating to amendments of the Senior Resolution and procedures for defeasance of the Series 2020C Senior Notes.

No Redemption Prior to Maturity

The Series 2020C Senior Notes are not subject to redemption prior to maturity.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES

Following is a summary of certain provisions of the Senior Resolution, including but not limited to sections of the Senior Resolution detailing the pledge of Revenues, the rate covenant, the flow of funds, the issuance of additional Senior Bonds, and the Investments. These summaries incorporate the Master Senior Resolution Amendments, which are described in Appendix E hereto, and which will become effective upon the issuance of the Series 2020 Senior Bonds and the defeasance of the Series 2010 Senior Bonds with the proceeds of the Series 2020 Senior Bonds (if issued). These summaries do not purport to be comprehensive or definitive. See Appendix B for a more complete description of these provisions of the Senior Resolution.

Pledge of Revenues

The Series 2020C Senior Notes are special, limited obligations of the City and are secured by a pledge of and lien upon and will be a charge upon and will be payable solely from the Revenues and certain funds and accounts pledged under the Senior Resolution.

Under the Senior Resolution, the Board has pledged, placed a charge upon and assigned all Revenues to secure the payment of all principal of, premium, if any, and interest on the Senior Bonds in accordance with their respective terms, without priority or distinction of one over the other, subject only to the provisions of the Senior Resolution permitting the application thereof for the purposes and on the terms and conditions provided therein. “Revenues” means all revenues and all money secured or collected for the benefit of and received by the Board from or arising out of the use or operation of the Port, including, without limitation, all tolls, charges, rentals, compensations or fees required to be paid for services, franchises or licenses, as permitted or required by the Charter or otherwise by law, ordinance or order, to the City for the operation of any public service utility upon lands and waters under the control and management of the Harbor Department and all investment earnings

credited to the Harbor Revenue Fund and not required to be credited to a sub-fund, excepting therefrom (i) Special Facility Revenues, and (ii) any revenues arising from any lease, contract or other agreement providing for the drilling for, developing, producing, extracting, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances from the tide and submerged lands granted to the City by the State.

As used in this Official Statement, “Port of Long Beach” or “Port” means the entire harbor system subject to and under the jurisdiction of the Board as defined in the Charter, and including, without limitation, all harbor or port improvements, works, utilities, appliances, facilities and water craft, owned, controlled or operated by the City in or upon or pertaining to the waterfront or navigable waters of the City as such system now exists together with all additions acquired, constructed or financed with surplus revenues or funds derived from the sale of indebtedness authorized by the Master Senior Resolution or any subsequent resolution of the Board, together with all improvements and extensions to said system later constructed or acquired.

The Board, on behalf of the City, also has pledged all amounts on deposit in the Principal Account and the Interest Account of the Bond Service Fund, to secure payment of the Senior Bonds without priority or distinction of one over the other. In all cases, such pledges are subject only to the provisions of the Senior Resolution permitting the application thereof for the purposes and on the terms and conditions provided in the Senior Resolution. See “—Flow of Funds” below.

The principal of and interest on any Series 2020C Senior Notes are not a debt of 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 Revenues and the funds and accounts which are pledged to the payment of the Series 2020C Senior Notes and interest thereon. The general fund of the City is not liable for the payment of any Series 2020C Senior Notes or interest thereon, nor is the credit or taxing power of the City pledged for the payment of any Series 2020C Senior Notes or interest thereon. An Owner of any Series 2020 Senior Bond may not compel the exercise of the taxing power by the City or the forfeiture of any of its property.

Use of Proceeds of Additional Subordinate TIFIA Loan and/or Other Amounts to Pay Series 2020C Senior Notes

Pursuant to the terms of Resolution No. HD-[_____] (the “[_____] Supplemental Senior Resolution”) adopted by the Board on [_____] , the Board reserved the right to (but is not obligated to) use all or a portion of the proceeds it expects to receive from the Additional Subordinate TIFIA Loan to pay the principal of the Series 2020C Senior Notes on their maturity date. See “CERTAIN INVESTMENT CONSIDERATIONS—Risks Related to the Disbursement of Additional Subordinate TIFIA Loan and Gerald Desmond Bridge Replacement Project.” However, in the event proceeds of the Additional Subordinate TIFIA Loan have not been received by the Harbor Department by the maturity date of the Series 2020C Senior Notes, the City, acting by and through the Board, expects that it will issue short-term Senior Bonds and/or Subordinate Obligations to refinance the principal of the Series 2020C Senior Notes. See “CERTAIN INVESTMENT CONSIDERATIONS—Risks Related to the Disbursement of Additional Subordinate TIFIA Loan and Gerald Desmond Bridge Replacement Project—Market Access Required if 2014 Subordinate TIFIA Loan Proceeds are not Disbursed” and “—Market Access Required if Additional Subordinate TIFIA Loan Proceeds are not Disbursed.” Alternatively, the City, acting by and through the Board, may choose to pay the principal of and interest on the Series 2020C Senior Notes from (a) Revenues, (b) up to \$200 million in aggregate principal amount of its Subordinate Revolving Obligations under the Subordinate Revolving Obligations Credit Agreement, (c) additional Senior Bonds or (d) additional Senior Obligations.

Rate Covenant

The Master Senior Resolution provides that the City, acting by and through the Board, shall prescribe, revise and collect such charges, rentals, compensation or fees required to be paid for services, franchises, leases or licenses, as permitted or required by the Charter or otherwise by law, ordinance or order, to the City for

operation upon lands and waters under the control and management of the Board, which, after making allowances for contingencies and error in the estimates, produce Revenues in each Fiscal Year equal to 1.25 times Maximum Annual Debt Service on the Senior Bonds and which are sufficient, taking into account all other moneys available or reasonably expected to be available to the Harbor Department, to pay the following amounts:

- (a) the interest on and principal of all Outstanding Senior Bonds as the same becomes due and payable;
- (b) all payments required for compliance with the Senior Resolution including payments required to be made into any reserve fund required to be maintained pursuant to any Supplemental Senior Resolution;
- (c) the interest on and principal of all outstanding Subordinate Obligations (including the Subordinate Revolving Obligations, the 2014 Subordinate TIFIA Loan (provided the Harbor Department draws down the loan) and the Additional Subordinate TIFIA Loan (if received and provided the Harbor Department draws down the loan), and any payments required to be made into any reserve fund established with respect to the Subordinate Obligations;
- (d) all Maintenance Costs; and
- (e) all payments required to meet any other obligations of the City, such as the payment of the Harbor Department's Shortfall Advances (as defined herein) and Surety Obligation Payments (as defined herein), which are charges, liens and encumbrances upon or payable from the Revenues.

See "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE" for additional information on the Outstanding Senior Bonds and Subordinate Obligations.

Flow of Funds

The Charter and the Master Senior Resolution require all Revenues of the Harbor Department to be deposited with the Treasurer and placed in the Harbor Revenue Fund established by the Charter. From Revenues on deposit in the Harbor Revenue Fund, the Treasurer is required to transfer to the Bond Service Fund established under the Master Senior Resolution and maintained by the Treasurer and any reserve fund established for a Series of Senior Bonds under a Supplemental Senior Resolution adopted in connection with the issuance of Senior Bonds, amounts sufficient to pay the principal, premium, if any, and interest on the Senior Bonds and to maintain in such funds the balances required by the Master Senior Resolution and any Supplemental Senior Resolution adopted in accordance therewith. The Master Senior Resolution requires that all Revenues remaining in the Harbor Revenue Fund after making such transfers will be used first, to pay the principal, premium, interest, other payment obligations and reserve fund requirements of any Subordinate Obligations, and second, to pay the reasonable expenses of management and other expenses necessary to operate, maintain and preserve the Port in good repair and working order ("Maintenance Costs"). After the payment of Maintenance Costs, remaining Revenues constitute surplus revenues and may be used for any lawful purpose. The Board's obligation to make the Shortfall Advances and the Surety Obligation Payments in connection with the Alameda Corridor (as defined herein) is payable from surplus revenues. For a description of the Shortfall Advances, the Surety Obligation Payments and the Alameda Corridor, see "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Other Obligations—ACTA Shortfall Advances and Surety Obligation Payments" herein. The pledge of Revenues to secure the payment of principal of, premium, if any, and interest on the Senior Bonds is irrevocable until all such obligations are no longer deemed outstanding. For a further description of the flow of funds and a description of the funds and accounts established and maintained under the Senior Resolution, see "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR RESOLUTION—MASTER SENIOR RESOLUTION—Application of Funds and Accounts."

No debt service reserve fund will be established to secure the payment of the principal of and interest on the Series 2020C Senior Notes. See “CERTAIN INVESTMENT CONSIDERATIONS - No Reserve Fund Established for Series 2020C Senior Notes.” Upon issuance of the Series 2020 Senior Bonds and the defeasance of the Series 2010 Senior Bonds with the proceeds of the Series 2020 Senior Bonds, no other Senior Bonds will be secured by a debt service reserve fund.

Funds Held by Third Parties

Pursuant to Resolution No. HD-1940 (the “Sixth Supplemental Senior Resolution”) adopted by the Board on November 2, 1998, the Treasurer is authorized to appoint and engage agents as may be appropriate to perform the duties and obligations of the Treasurer to establish and maintain certain funds and accounts (except the Harbor Revenue Fund). In connection with the issuance of the Series 2020C Senior Notes, the Treasurer will enter into a trustee services agreement with U.S. Bank National Association to establish and maintain the Series 2020C Construction Fund, the Series 2020C Capitalized Interest Fund, the Series 2020C Costs of Issuance Fund and the Series 2020C Rebate Fund. All such funds will be held in trust, disposed of and invested in accordance with instructions given by the Treasurer. None of such funds are pledged under the Senior Resolution to secure the Series 2020C Senior Notes.

Additional Senior Bonds

Under the Master Senior Resolution, the City, acting by and through the Board, has covenanted that it will not incur any indebtedness having any priority in payment from Revenues over the Senior Bonds (including the Series 2020C Senior Notes).

Under the Master Senior Resolution, the Board, on behalf of the City, has covenanted not to issue additional Senior Bonds payable from and secured by Revenues on parity with the Existing Senior Bonds & Notes and the Series 2020C Senior Notes unless (a) such additional Senior Bonds are issued to pay or discharge outstanding Senior Bonds (“Refunding Senior Bonds”), or (b) at the time such additional Senior Bonds are issued (i) the City is not in default under the terms of the Master Senior Resolution and (ii) either (A) the Net Revenues for the last completed Fiscal Year or the 12 month period ended not more than one month before the issuance or incurrence of such additional Senior Bonds as set forth in a certificate of the Board or (B) the estimated Net Revenues for the 12 month period when the improvements or extensions to the Port financed with the proceeds of the additional Senior Bonds will be in operation as estimated by and set forth in a certificate of an independent certified public accountant or an independent engineer appointed by the Board, amount to at least 1.25 times Maximum Annual Debt Service on all Senior Bonds outstanding immediately subsequent to the issuance of such additional Senior Bonds.

“Net Revenues” means, for any period, Revenues for such period less Maintenance Costs for such period. For purposes of determining compliance with clauses (b)(ii)(A) and (B) in the above paragraph, there may be included in Net Revenues either or both of the following: (1) an allowance for any increase in Net Revenues (including, without limitation, a reduction in Maintenance Costs) which may arise from any additions to and extensions and improvements to the Port to be made or acquired with the proceeds of such additional Senior Bonds or with the proceeds of Senior Bonds previously issued or incurred and also for increases in Net Revenues from any additions, extensions or improvements which have been made or acquired with moneys from any source but which, during the Fiscal Year or 12 month period used for the calculation, were not in service, all in an amount equal to the estimated additional average annual Net Revenues to be derived from such additions, extensions and improvements for the first 36 month period in which each addition, extension or improvement is respectively to be in operation, all as shown by the certificate or opinion of a qualified independent engineer employed by the Board; and/or (2) an allowance for earnings arising from any increase in the charges made for the use of the Port which has become effective prior to the issuance of such additional Senior Bonds, but which, during the last completed Fiscal Year or 12 month period, was not in effect, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in charges

had been in effect during the whole of such Fiscal Year or last completed 12 month period, as shown by the certificate or opinion of a qualified independent engineer employed by the Board.

The Board will provide the additional bonds certificate described in clause (b)(ii)(A) above with respect to the issuance of the Series 2020C Senior Notes.

The Master Senior Resolution does not restrict the City from issuing or incurring indebtedness having a lien upon Revenues which is subordinate to that of the Senior Bonds.

Investments

All moneys in any of the funds and accounts held by the Treasurer and its agents and established pursuant to the Senior Resolution will be invested solely in Investment Securities maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Treasurer. See “FINANCIAL DATA—Investment Policy” for further information on the City’s investment policy.

ADDITIONAL SUBORDINATE TIFIA LOAN AGREEMENT

[TO BE UPDATED: In addition to the 2014 Subordinate TIFIA Loan, in April 2018, the Harbor Department submitted a letter of interest with the Additional Subordinate TIFIA Lender requesting that the Additional Subordinate TIFIA Lender make an additional loan to the Harbor Department (currently requested in the amount of \$145 million) to finance or refinance additional costs of the Gerald Desmond Bridge Replacement Project (the “Additional Subordinate TIFIA Loan”). On April 16, 2019, the Harbor Department was informed by the Additional Subordinate TIFIA Lender that its letter of interest has been advanced to the “creditworthiness review stage.” On [_____], 2019, the DOT Council on Credit and Finance considered the Harbor’s Department request for an additional loan. Thereafter, on [_____], 2019, the Harbor Department was invited by the TIFIA Joint Program Office to submit a formal application for the additional loan and the Harbor Department submitted such formal application on [_____], 2019. If such application is approved by the Additional Subordinate TIFIA Lender, the Harbor Department anticipates that the Additional Subordinate TIFIA Loan will be secured by a pledge of Subordinate Revenues on parity with the 2014 Subordinate TIFIA Loan (if drawn) and the Subordinate Revolving Obligations. The proceeds of the Additional Subordinate TIFIA Loan, if received, are anticipated to be available to pay the principal of the Series 2020C Senior Notes on their maturity date and/or to pay additional federally eligible costs of the Gerald Desmond Bridge Replacement Project. The Harbor Department and the Additional Subordinate TIFIA Lender are currently negotiating the terms of the loan agreement for the Additional Subordinate TIFIA Loan. As of the date of this Official Statement, the Harbor Department expects the terms of this new loan agreement will be substantially similar to the terms of the 2014 Subordinate TIFIA Loan Agreement.]

OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE

Outstanding Senior Bonds & Notes

Pursuant to the Master Senior Resolution, the City, acting by and through the Board, issued the Existing Senior Bonds & Notes, which as of January 1, 2020, were outstanding in the aggregate principal amount of \$1,063,185,000.

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The following table sets forth the Existing Senior Bonds & Notes which have been issued and were outstanding as of January 1, 2020.

TABLE 1
Harbor Department of the City of Long Beach
Existing Senior Bonds & Notes
(as of January 1, 2020)

Existing Senior Bonds & Notes	Original Principal Amount	Principal Amount Outstanding	Final Maturity Date
Series 2010A ⁽¹⁾	\$200,835,000	\$97,475,000	5/15/2025
Series 2010B ⁽²⁾	158,085,000	109,200,000	5/15/2027
Series 2014B	20,570,000	11,700,000	5/15/2027
Series 2015A	44,845,000	33,115,000	5/15/2023
Series 2015B	20,130,000	20,130,000	5/15/2025
Series 2015C	66,085,000	66,085,000	5/15/2032
Series 2015D	66,865,000	66,865,000	5/15/2042
Series 2017A	101,610,000	101,610,000	5/15/2040
Series 2017B	25,985,000	25,985,000	5/15/2043
Series 2017C	42,660,000	42,660,000	5/15/2047
Series 2018A	327,050,000 ⁽³⁾	327,050,000	12/15/2020
Series 2019A	161,310,000	161,310,000	5/15/2049
Total	\$1,236,030,000	\$1,063,185,000	

⁽¹⁾ The Series 2010A Senior Bonds will no longer be outstanding as of the date of delivery of the Series 2020 Senior Bonds (if issued).

⁽²⁾ The Series 2010B Senior Bonds will no longer be outstanding as of the date of delivery of the Series 2020C Senior Bonds (if issued).

⁽³⁾ The Harbor Department expects to pay a portion of the principal of the Series 2018A Senior Notes, or any obligations that may be issued to refinance the Series 2018A Senior Notes, on their maturity date with the proceeds of the 2014 Subordinate TIFIA Loan. See “—Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations) — 2014 Subordinate TIFIA Loan.”

Source: Harbor Department.

On or about [February 19], 2020, the City, acting by and through the Board, intends to issue \$[_____] aggregate principal amount of the Series 2020 Senior Bonds for the purpose of, together with certain other available moneys, (a) current refunding and defeasing the Series 2010 Senior Bonds and (b) paying the financing costs and the costs of issuing the Series 2020 Senior Bonds.

The Existing Senior Bonds & Notes, the Series 2020 Senior Bonds (if issued), the Series 2020C Senior Notes and any additional Senior Bonds issued pursuant to the terms of the Master Senior Resolution are collectively referred to herein as the “Senior Bonds.” The Senior Bonds are secured by a pledge of and lien upon and will be a charge upon and will be payable from Revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES” and “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE.”

Senior Bonds & Notes Debt Service Requirements

The following table sets forth the debt service requirements of the Existing Senior Bonds & Notes, the Series 2020 Senior Bonds (if issued) and the Series 2020C Senior Notes.

TABLE 2
Harbor Department of the City of Long Beach
Senior Bonds & Notes Debt Service Requirements ⁽¹⁾

Bond Year Ending May 15	Total Debt Service Requirements for Existing Prior Senior Bonds & Notes ⁽²⁾	Principal Requirements for Series 2020C Senior Notes	Interest Requirements for Series 2020C Senior Notes	Total Senior Bonds Debt Service
2020	\$ ⁽³⁾	-	\$	\$
2021	⁽⁴⁾	-		
2022		-		
2023		-		
2024		-		
2025		-		
2026		\$		
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048	-			
2049	-			
Total	\$	\$	\$	\$

⁽¹⁾ Numbers may not sum due to rounding.

⁽²⁾ Does not include debt service on the Series 2010 Senior Bonds expected to be redeemed and defeased from the proceeds of the Series 2020 Senior Bonds (if issued) and does include debt service on the Series 2020 Senior Bonds (if issued) expected to be issued on or about February [19], 2020.

⁽³⁾ Does not include \$16,352,000 of interest with respect to Series 2018A Senior Notes to be paid from capitalized interest.

⁽⁴⁾ Does not include \$5,859,646 of interest with respect to Series 2018A Senior Notes to be paid from capitalized interest and \$325,000,000 of the principal of the Series 2018A Senior Notes due on December 15, 2020, which the Harbor Department expects to either pay with the proceeds of the 2014 Subordinate TIFIA Loan, or refinance with new harbor revenue refunding short-term notes, which harbor revenue refunding short-term notes the Harbor Department expects to pay at maturity with the proceeds of the 2014 Subordinate TIFIA Loan.

Source: Harbor Department and Public Resources Advisory Group.

Senior Debt Service Coverage

A summary of Revenues, Maintenance Costs, Net Revenues, Senior Debt Service and debt service coverage for Fiscal Years 2015 through 2019 is presented below.

TABLE 3
Harbor Department of the City of Long Beach
Senior Debt Service Coverage
(\$000's)

Fiscal Year	Revenues ¹	Maintenance Costs ²	Net Revenues ³	Senior Debt Service ⁴	Senior Debt Service Coverage	
					Gross ⁵	Net ⁶
2015	\$359,486	\$133,771	\$225,715	\$78,363	4.6	2.9x
2016	365,298	143,873	221,425	73,026	5.0	3.0
2017	382,716	142,641	240,076	72,076	5.3	3.3
2018	406,486	139,259	267,227	79,568	5.1	3.4
2019 ⁷	430,238	131,386	298,852	77,024	5.6	3.9

¹ Calculated in accordance with the provisions of the Master Senior Resolution. Includes Total Port Operating Revenue and Interest Income as shown in “Table 10, Harbor Department of the City of Long Beach, Comparative Summary of Statements of Revenues and Expenses” set forth below.

² Calculated in accordance with the provisions of the Master Senior Resolution. Includes all Port Operating Expenses excluding Depreciation and Amortization as shown in “Table 10, Harbor Department of the City of Long Beach, Comparative Summary of Statements Revenues and Expenses” set forth below.

³ Revenues less Maintenance Costs.

⁴ Includes debt service on all Senior Bonds, except for principal and interest paid with moneys other than Revenues (i.e., capitalized interest). The Harbor Revenue Short-Term Notes, Series 2014C in the principal amount of \$325 million were paid with proceeds of the Series 2018A Senior Notes on November 15, 2018.

⁵ Revenues divided by Senior Debt Service.

⁶ Net Revenues divided by Senior Debt Service.

⁷ Unaudited.

Source: Revenues and Maintenance Costs are derived from the Harbor Department’s audited financial statements for Fiscal Years 2015-2018 and the Harbor Department’s unaudited financial statements for Fiscal Year 2019.

Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations)

2014 Subordinate TIFIA Loan. The City, acting by and through the Board, entered into the 2014 Subordinate TIFIA Loan Agreement with the 2014 Subordinate TIFIA Lender, pursuant to which the 2014 Subordinate TIFIA Lender, subject to certain conditions, agreed to make the 2014 Subordinate TIFIA Loan to the City, acting by and through the Board, in an amount not to exceed \$325 million. The proceeds of the 2014 Subordinate TIFIA Loan, if drawn, will be used by the Harbor Department to finance and refinance the costs of the Gerald Desmond Bridge Replacement Project. See “CAPITAL DEVELOPMENT PROGRAM—2019-28 Capital Plan—Gerald Desmond Bridge Replacement Project.”

The proceeds of the 2014 Subordinate TIFIA Loan are expected to be drawn, if ever, no later than [____], 2021, which is one year after substantial completion of the Gerald Desmond Bridge (currently projected to be by [June 2020]). Pursuant to the terms of the Twenty-First Supplemental Senior Resolution, the Board has reserved the right (but is not obligated to) use all or a portion of the proceeds of the 2014 Subordinate TIFIA Loan to pay a portion of the principal of the Series 2018A Senior Notes on their maturity date (December 15,

2020), or any obligations that may be issued to refinance the Series 2018A Senior Notes, and/or to pay additional federally eligible costs of the Gerald Desmond Bridge Replacement Project.

Disbursement of the proceeds of the 2014 Subordinate TIFIA Loan is subject to certain conditions precedent, including, among others, the following: (a) certain conditions precedent that were satisfied in connection with the execution and delivery of the 2014 Subordinate TIFIA Loan Agreement must continue to remain in place, including, among others, the 2014 Subordinate TIFIA Loan needs to be rated at least “A-” by two rating agencies (as of the date hereof, the 2014 Subordinate TIFIA Loan is rated “AA-” by Fitch Ratings and “AA-“ by S&P Global Ratings); (b) substantial completion of the Gerald Desmond Bridge Replacement Project must have occurred; (c) an updated financial plan, acceptable to the 2014 Subordinate TIFIA Lender, must be provided, demonstrating that projected Revenues and Subordinate Revenues will be sufficient to satisfy the rate coverage ratios set forth in the 2014 Subordinate TIFIA Loan Agreement; (d) all applicable insurance policies with respect to the Port must be in full force and effect; (e) if the Gerald Desmond Bridge Replacement Project has not yet been transferred to Caltrans, all applicable permits and governmental approvals necessary to operate and maintain the new bridge must be in full force and effect; (f) no event of default under the 2014 Subordinate TIFIA Loan Agreement, the Master Subordinate Resolution or Resolution No. HD-2763 adopted by the Board on May 12, 2014 (the “Third Supplemental Subordinate Resolution”) shall have occurred and be continuing; (g) all of the representations and warranties of the City, acting by and through the Board, set forth in the 2014 Subordinate TIFIA Loan Agreement must be true and correct in all material respects as of the date of disbursement; and (h) no material adverse change in (i) the business, operations, properties or condition (financial or otherwise) of (A) the Port, or (B) if the Gerald Desmond Bridge Replacement Project has not yet been transferred to Caltrans, the new bridge, (ii) the legality, validity or enforceability of any material provision of any the 2014 Subordinate TIFIA Loan Agreement, the Master Subordinate Resolution or the Third Supplemental Subordinate Resolution, (iii) the ability of the City, acting by and through the Board, to perform or comply with any of its material obligations under any of the 2014 Subordinate TIFIA Loan Agreement, the Master Subordinate Resolution or the Third Supplemental Subordinate Resolution, (iv) the validity, perfection or priority of the senior Revenue lien or the subordinate Revenue lien or (v) the 2014 Subordinate TIFIA Lender’s rights or remedies available under any of the 2014 Subordinate TIFIA Loan Agreement, the Master Subordinate Resolution or the Third Supplemental Subordinate Resolution, shall have occurred and be continuing since the date the Harbor Department first submitted its application to the 2014 Subordinate TIFIA Lender for the 2014 Subordinate TIFIA Loan.

The 2014 Subordinate TIFIA Loan, if and when drawn, will be secured by a pledge of Subordinate Revenues (consisting of Revenues minus the payment of debt service on the Senior Bonds (including the Series 2020C Senior Notes) and the required deposits to any debt service reserve fund established with respect to the Senior Bonds) on parity with the Subordinate Revolving Obligations. The final maturity date of the 2014 Subordinate TIFIA Loan will be no more than 35 years after substantial completion of the Gerald Desmond Bridge. Pursuant to the provisions of the 2014 Subordinate TIFIA Loan Agreement, the 2014 Subordinate TIFIA Lender has the right to accelerate the payment of the principal of and interest on the 2014 Subordinate TIFIA Loan upon the occurrence of certain events of default set forth in the 2014 Subordinate TIFIA Loan Agreement. See “CERTAIN INVESTMENT CONSIDERATIONS—Remedies Upon Default.”

Subordinate Revolving Obligations. Pursuant to the Master Subordinate Resolution, the Subordinate Revolving Obligations Supplemental Resolutions and the Subordinate Revolving Obligations Credit Agreement, the City, acting by and through the Board, is authorized to issue and have outstanding, from time to time, up to \$200 million in aggregate principal amount of its Subordinate Revolving Obligations. As of January 1, 2020, there were [no Subordinate Revolving Obligations outstanding]. The Subordinate Revolving Obligations are secured by a pledge of Subordinate Revenues on parity with the 2014 Subordinate TIFIA Loan (if drawn) and the Additional Subordinate TIFIA Loan (if received and if drawn). All Subordinate Revolving Obligations issued by the City, acting by and through the Board, are purchased by the Subordinate Revolving Obligations Bank (MUFG Union Bank, N.A.) in accordance with the terms of the Subordinate Revolving Obligations Credit Agreement. Pursuant to the terms of the Subordinate Revolving Obligations Credit Agreement, the Subordinate Revolving Obligations bear interest at floating rates set forth in the Subordinate Revolving Obligations Credit

Agreement. Except as otherwise provided in the Subordinate Revolving Obligations Credit Agreement, the principal of all Subordinate Revolving Obligations outstanding is due and payable on May 13, 2022. However, subject to the terms of the Subordinate Revolving Obligations Credit Agreement, on May 13, 2022, the City, acting by and through the Board, can convert any outstanding Subordinate Revolving Obligations to a term loan that will be payable over a three year period after the May 13, 2022 maturity date. Pursuant to the provisions of the Subordinate Revolving Obligations Credit Agreement, the Subordinate Revolving Obligations Bank has the right to accelerate the payment of the principal of and interest on the Subordinate Revolving Obligations upon the occurrence of certain events of default set forth in the Subordinate Revolving Obligations Credit Agreement. See “CERTAIN INVESTMENT CONSIDERATIONS—Remedies Upon Default.”

Future Financings (Additional Senior Bonds and Subordinate Obligations)

See “CAPITAL DEVELOPMENT PROGRAM—Funding Sources of 2019-28 Capital Plan” for a discussion of the Harbor Department’s potential issuance of additional Subordinate Obligations in the future to finance a portion of the costs of the 2019-28 Capital Plan.

[TO BE UPDATED: In addition to the 2014 Subordinate TIFIA Loan, in April 2018, the Harbor Department submitted a letter of interest with the Additional Subordinate TIFIA Lender requesting that the Additional Subordinate TIFIA Lender make the Additional Subordinate TIFIA Loan to the Harbor Department (currently requested in the amount of \$145 million) to finance or refinance additional costs of the Gerald Desmond Bridge Replacement Project. See “CAPITAL DEVELOPMENT PROGRAM—2019-28 Capital Plan—Gerald Desmond Bridge Replacement Project.” On April 16, 2019, the Harbor Department was informed by the Additional Subordinate TIFIA Lender that its letter of interest has been advanced to the “creditworthiness review stage.” On [_____], 2019, the DOT Council on Credit and Finance considered the Harbor’s Department request for an additional loan. Thereafter, on [_____], 2019, the Harbor Department was invited by the TIFIA Joint Program Office to submit a formal application for the additional loan and the Harbor Department submitted such formal application on [_____], 2019. If such application is approved by the Additional Subordinate TIFIA Lender, the Harbor Department anticipates that the Additional Subordinate TIFIA Loan will be secured by a pledge of Subordinate Revenues on parity with the 2014 Subordinate TIFIA Loan (if drawn) and the Subordinate Revolving Obligations. The proceeds of the Additional Subordinate TIFIA Loan, if received, are anticipated to be available to pay the principal of the Series 2020C Senior Notes on their maturity date and/or to pay additional federally eligible costs of the Gerald Desmond Bridge Replacement Project. The Harbor Department and the Additional Subordinate TIFIA Lender are currently negotiating the terms of the loan agreement for the Additional Subordinate TIFIA Loan. As of the date of this Official Statement, the Harbor Department expects the terms of this new loan agreement will be substantially similar to the terms of the 2014 Subordinate TIFIA Loan Agreement.]

The City, acting by and through the Board, may issue and have outstanding up to \$200 million aggregate principal amount of Subordinate Revolving Obligations from time to time pursuant to the Master Subordinate Resolution, the Subordinate Revolving Obligations Supplemental Resolutions and the Subordinate Revolving Obligations Credit Agreement and purchased by the Subordinate Revolving Obligations Bank. See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations)—Subordinate Revolving Obligations.”

The City, acting by and through the Board, may issue additional Senior Bonds and/or Subordinate Obligations in the future to finance a portion of the costs of the 2019-28 Capital Plan or to refund outstanding Senior Bonds and/or Subordinate Obligations.

Other Obligations

ACTA Shortfall Advances, Surety Obligation Payments and Other ACTA Developments. In 1999, the Alameda Corridor Transportation Authority (“ACTA”) issued and entered into obligations to finance a portion of the cost of the design and construction of a 20 mile long, multiple-track rail system linking the railyards and tracks at the Port and the Port of Los Angeles (together, the “San Pedro Bay Ports”) with the Railroads’ (as defined in the following paragraph) transcontinental mainlines originating near downtown Los Angeles (the “Alameda Corridor”). See “THE PORT OF LONG BEACH—Current Port Facilities—General.” The Alameda Corridor was financed with contributions from the Harbor Department and the Port of Los Angeles, proceeds of taxable and tax-exempt bonds issued by ACTA, a federal loan (which was prepaid in May 2004 with the proceeds of subordinate taxable and tax-exempt bonds issued by ACTA), a grant from the Los Angeles County Metropolitan Transportation Authority, and various other grant moneys. As of September 30, 2019, ACTA had outstanding approximately \$2.2 billion aggregate principal/accreted value of taxable and tax-exempt bonds (collectively, the “ACTA Obligations”). The ACTA Operating Agreement was amended and restated as of December 15, 2016.

On October 12, 1998, the City, acting by and through the Board, the City of Los Angeles, acting by and through its Board of Harbor Commissioners, ACTA, the Union Pacific Railroad Company (“Union Pacific”), and BNSF Railway Company (formerly known as The Burlington Northern and Santa Fe Railway Company) (“BNSF” and together with Union Pacific, the “Railroads”) entered into the Alameda Corridor Use and Operating Agreement, as amended (the “ACTA Operating Agreement”). The ACTA Operating Agreement governs the administration, operation and maintenance of the Alameda Corridor and the collection and application of use fees, container charges, maintenance and operation charges and Shortfall Advances. The ACTA Obligations are payable from the use fees and container charges, payable by the Railroads, and from Shortfall Advances.

The ACTA Operating Agreement requires the Harbor Department and the Port of Los Angeles, severally and not jointly, to make payments (the “Shortfall Advances”) in the event the amount of use fees and container charges collected from the Railroads are not sufficient to make the debt service payments on the ACTA Obligations. Pursuant to the ACTA Operating Agreement, the Harbor Department and the Port of Los Angeles are each obligated to make up one-half of any deficiency in the payment of debt service on the ACTA Obligations. However, the Harbor Department and the Port of Los Angeles are liable only for a maximum of 40% (20% each) of the total amount of debt service due in each year on the ACTA Obligations. Additionally, neither the Harbor Department nor the Port of Los Angeles is required to make Shortfall Advances that should have been paid by the other party. Based upon the September 30, 2019 outstanding amount of the ACTA Obligations, the Harbor Department and the Port of Los Angeles are potentially liable for a maximum of approximately \$1.5 billion (the Harbor Department and the Port of Los Angeles each being liable for approximately \$750 million) of debt service payments on the ACTA Obligations through 2037. Pursuant to the ACTA Operating Agreement, the Harbor Department is obligated to include any forecasted Shortfall Advances in its budget for each Fiscal Year. The Harbor Department and the Port of Los Angeles were first required to pay Shortfall Advances in calendar year 2011 when they paid a total of \$5.9 million (\$2.95 million each) for debt service payments due on October 1, 2011. The Harbor Department and the Port of Los Angeles were again required to pay Shortfall Advances in calendar year 2012 when they paid a total of \$5.9 million (\$2.95 million each) for debt service payments due on October 1, 2012. Since the 2012 payment, the Harbor Department and the Port of Los Angeles have not been required to pay Shortfall Advances.

In May 2016, ACTA issued its Tax-Exempt Subordinate Lien Revenue Refunding Bonds, Series 2016A, and Tax-Exempt Second Subordinate Lien Revenue Refunding Bonds, Series 2016B Bonds (collectively, the “Series 2016 ACTA Bonds”), the proceeds of which were used to, among other things, refund a portion of ACTA’s outstanding Tax-Exempt Subordinate Lien Revenue Bonds, Series 2004A Bonds. The issuance of the Series 2016 ACTA Bonds included extending the payment of principal that was scheduled to mature in Fiscal Years 2017 through 2026, and thereby the projected Shortfall Advances that the Harbor Department and the Port of Los Angeles were expected to make in those years were eliminated. Although this restructuring increased the

overall amount of the debt service on the outstanding ACTA bonds, it generated significant relief from projected Shortfall Advances for the Harbor Department and the Port of Los Angeles through Fiscal Year 2026. The Harbor Department expects that it (and the Port of Los Angeles) may be required to make one or more additional Shortfall Advances between 2026 and 2037, however, as of the date of this Official Statement, the Harbor Department cannot predict either the amount or timing of any such Shortfall Advances.

In connection with ACTA's issuance of \$83,710,000 of its Taxable Senior Lien Revenue Refunding Bonds, Series 2012 (the "Series 2012 ACTA Bonds"), the Harbor Department and the Port of Los Angeles entered into a debt service reserve surety agreement (the "Series 2012 ACTA Surety Agreement"). Pursuant to the Series 2012 ACTA Surety Agreement, the Harbor Department and the Port of Los Angeles each agreed to make individual payments of up to \$3.6 million (the "Surety Obligation Payments") to pay the principal of and interest on the Series 2012 ACTA Bonds in the event the amount of use fees and container charges collected from the Railroads are not sufficient to make the debt service payments on the Series 2012 ACTA Bonds. The Harbor Department's (and the Port of Los Angeles') obligation under the Series 2012 Surety Agreement will decrease as deposits, if any, are made to the debt service reserve fund established for the Series 2012 ACTA Bonds. Since the execution of the Series 2012 ACTA Surety Agreement through October 1, 2019, ACTA has made cash deposits of approximately \$7.2 million to the debt service reserve fund for the Series 2012 ACTA Bonds, thereby eliminating the need for the Series 2012 ACTA Surety Agreement between the Harbor Department and the Port of Los Angeles. The Harbor Department's (and the Port of Los Angeles's) obligation under the Series 2012 Surety Agreement to make the Surety Obligation Payments has been released for the Series 2012 ACTA Bonds.

The Harbor Department is obligated to make the Shortfall Advance Payments from any legally available source of excess revenues after making all payments due with respect to the Senior Bonds (including the Series 2020C Senior Notes) and the Subordinate Obligations, and the payment of all Maintenance Costs. The Harbor Department's obligation to make Shortfall Advance Payments is to continue even though use fees may be abated as a result of complete blockage of the rail corridor for more than five days. Shortfall Advance Payments are to be reimbursed to the Harbor Department and the Port of Los Angeles from use fees and container charges to the extent available, after payment of debt service on the ACTA Obligations, the funding of any reserves associated with the ACTA Obligations, the payment of maintenance and operating expenses of the Alameda Corridor, and the payment of administrative and other amounts.

In April 2019, ACTA's Governing Board approved the selection of a new maintenance contractor for the Alameda Corridor. RailWorks Track Services, Inc.'s (RailWorks) contract commenced on May 1, 2019, for a five-year term with a five-year renewal option. Expenditures related to the maintenance of the Alameda Corridor were higher during the first two months, as the previous contractor, Balfour Beatty Infrastructure, Inc. (BBII) and RailWorks both provided services during the transition period.

ACTA's Chief Executive Officer and Chief Financial Officer have announced that they both intend to retire in the near future. The Chief Executive Officer [plans to retire on or about]/[retired on] December 13, 2019. The Chief Financial Officer intends to retire during the 2020 calendar year, after assisting with the transition to a new management team.

Transfers to City. Pursuant to Chapter XII, Section 1209(c)(4) of the Charter, at the beginning of each Fiscal Year, by a two-thirds vote of the members of the City Council of the City (the "City Council") may determine that an amount not to exceed 5% of the gross operating revenues of the Harbor Department for the previous Fiscal Year shall be transferred from the Harbor Revenue Fund to the City's Tideland's Operating Fund. Any amounts transferred to the City's Tideland's Operating Fund must be approved by a majority of all members of the Board. When approving any transfer, the Board must determine that the amount to be transferred will not be needed for Harbor Department operations, including, without limitation, operating expenses and capital projects, and that such transfer will not result in insufficient funds to pay the principal and interest on the Senior Bonds, or otherwise impair the ability to meet covenants with respect to the Senior Bonds. The Harbor Department transferred approximately \$20.1 million (5% of the Harbor Department's Fiscal Year 2018 gross

operating revenue) from the Harbor Revenue Fund to the City's Tideland's Operating Fund for the Fiscal Year ended September 30, 2019. The Board approved the transfer of approximately \$20.1 million (unaudited) (5% (unaudited) of the Harbor Department's Fiscal Year 2019 gross operating revenue) from the Harbor Revenue Fund to the City's Tideland's Operating Fund during Fiscal Year 2020. The Harbor Department expects that for the foreseeable future transfers will continue to be made each Fiscal Year from the Harbor Revenue Fund to the City's Tideland's Operating Fund.

Repayment Obligations. Under certain circumstances the obligation of the Board, pursuant to a written agreement, to reimburse the provider of a credit facility or a liquidity facility (a "Repayment Obligation") may be secured by a pledge of and lien on Revenues on parity with the Senior Bonds. If a credit provider or liquidity provider advances funds to pay principal or the purchase price of or the interest on Senior Bonds, all or a portion of the Board's Repayment Obligation may be afforded the status of a Senior Bond under the Senior Resolution. The Board currently does not have any Repayment Obligations outstanding.

Harbor Department Internal Debt Management Policy

As part of its Debt Management Policy (which was approved via ordinance in 2011 by the Board), the Harbor Department is required to (a) maintain a minimum debt service coverage ratio ([operating revenue plus interest income minus operating expenses before depreciation and amortization] divided by [annual debt service on all of the Harbor Department's debt]) of 2.0, and (b) maintain a minimum unrestricted cash balance of 600 days of prior Fiscal Year operating expenses (before depreciation and amortization). This policy is an internal guide for the Harbor Department and if not maintained will not be an event of default under the Senior Resolution. Although the Board currently intends to maintain these requirements in the Debt Management Policy, the Board could take future actions that reduce or eliminate these requirements.

THE PORT OF LONG BEACH

General

According to the American Association of Port Authorities, the Port was the number two-ranked container port in the nation in terms of container cargo for the year ended December 31, 2018.³ The facilities at the Port moved approximately 8.1 million TEUs for the calendar year ended December 31, 2018. According to statistics compiled by Alphaliner, during calendar year 2018, the Port was the 20th busiest container port in the world.⁴ As a comparison point, the facilities at the Port moved approximately 7.7 million TEUs (unaudited) for the Fiscal Year ended September 30, 2019. See "CERTAIN INVESTMENT CONSIDERATIONS—Port Competition" for additional information about the Port's competitors. The Port is a harbor complex located two miles from open sea in an 11.9 square-mile area (the "Harbor District") within the City and on 359 acres of the City of Los Angeles adjacent to the City. The Port is held in trust by the City pursuant to certain tideland and submerged land grants from the State to the City and is operated by the Harbor Department. The Harbor Department was created in 1931 by an amendment to the Charter. See "—Power and Authority of the Board" below.

Development of a harbor in the City began in 1905 when private interests acquired 800 acres of property for port purposes. An ocean entrance to this area was completed in 1909, and in the same year voters of the City approved a \$245,000 bond issue for the purchase of water frontage and construction of the first pier. In 1911, the wharf was opened, and the Port was established. General obligation bond issues were authorized in 1916, 1924 and 1928 for channel work and construction of additional terminal facilities. With the discovery of oil in 1936, Port development was financed with petroleum revenues, and the general obligation bond issues were fully retired. Since 1965, Port development has been financed primarily with surplus revenues and the proceeds of revenue bonds. No general obligation bonds have been issued for Port development since the 1920's.

³ Statistics and ranking from the American Association of Port Authorities for calendar year 2019 are not yet available.

⁴ Statistics and ranking from Alphaliner for calendar year 2019 are not yet available.

In 1990, the U.S. Congress enacted the Defense Base Closure and Realignment Act of 1990 (“DBCRA”), which established a decision making process for the closure of U.S. military bases throughout the world. Pursuant to DBCRA, the Long Beach Naval Station and the Long Beach Naval Shipyard (collectively, the “Naval Complex”) were included in the base closures announced during 1991 and 1995, respectively. The Naval Complex consists of 1,140 acres (686 acres of water and 454 acres of land) located on the west side of the Harbor District. The City owns 1,084 acres of the Naval Complex and leases the remaining 56 acres from the United States pursuant to the Lease in Furtherance of Conveyance dated as of August 11, 1998 (the “Naval Complex Lease”). The Naval Complex Lease terminates in 2048 unless terminated earlier by the conveyance of the leased property in fee from the United States to the City. The Board anticipates that the remaining 56 acres will be transferred to the City in the future.

The Port currently has 65 deep-water berths (several of which are and will be capable of servicing the largest commercial ships currently afloat and the largest commercial ships currently being designed) with equipment and facilities to handle all types of cargo. See “—Current Port Facilities” below.

The Harbor Department operates the Port as a landlord through various property agreements entered into with tenants of the Port. The property agreements entered into by the Board, which convey the right to use, rent or lease Port assets, include leases, preferential assignment agreements, revocable permits, area assignments and pipeline licenses. The Harbor Department leases and/or assigns docks, wharves, transit sheds, terminals and other facilities to shipping or terminal companies and other private firms for operation of such facilities. Pursuant to the property agreements, the tenants of the Port pay tariff charges (including, but not limited to, wharfage (the charge assessed when cargo crosses the wharf), dockage (the charge assessed for docking a vessel at a berth), storage and demurrage (charges related to the duration that cargo may be stored at the terminal)) and other fees to the Harbor Department for the right to use, rent or lease Port facilities. See “—Property Agreements” and “—Port Tariffs.” Comparative operating statistics for the Harbor Department are presented under the caption “—Operating Performance” below. See also “FINANCIAL DATA.”

Power and Authority of the Board

Pursuant to Chapter 676, Statutes of 1911, Chapter 102, Statutes of 1925, and Chapter 158, Statutes of 1935, the State conveyed to the City certain tide and submerged lands in trust, for the establishment, improvement and conduct of a harbor to accommodate and promote commerce, navigation and fishing. Consistent with this grant, the Charter confers on the Board exclusive control and management of the Harbor Department and control and jurisdiction over the Harbor District other than the lands used for or in connection with the drilling for, developing production, extracting, processing, taking or removing, storing and disposing of oil, gas and other hydrocarbon substances previously transferred by the State from the Harbor Department’s control to the control of the City. Pursuant to the Charter, the Board is authorized, on behalf of the City, to make provisions for the needs of commerce, navigation, recreation and fishery in the Harbor District; to promote, develop, construct, reconstruct, alter, repair, maintain, equip and operate all waterfront properties including piers, wharves, sea walls, docks, basins, channels, slips, landings, warehouses, floating and other plants or works; dredge and reclaim land; construct, equip and operate terminal rail trackage; and to establish, equip and operate all other facilities or aids incident to the development, protection and operation of the Port both inside and outside the Harbor District.

The Charter grants the Board the exclusive power and duty for and on behalf of the City to enter into contracts, leases and agreements, to take legal actions in any matter within its jurisdiction, to exercise the right of eminent domain and to make and enforce general rules and regulations throughout the Harbor District, including the regulation of public service, public utilities and private construction; to fix and collect all rates, tolls and other charges, including tariffs, for the use and occupation of the public facilities and appliances of the Port; to take charge of, control and supervise the Port and to perform any and all other acts and things which are necessary and proper to carry out the general powers of the City. The Board’s actions are not subject to review by the Mayor of the City or the City Council, except that the City Council must approve the issuance of revenue bonds, the annual budget, and appeals of California Environmental Quality Act determinations regarding the

environmental impacts of capital projects at the Port. The City Council has approved the issuance of the Series 2020C Senior Notes.

Management and Administration

The Board. The Board is composed of five members (“Commissioners”) appointed by the Mayor of the City subject to confirmation by the City Council. Commissioners must be qualified electors of the City. To assure continuity, the Commissioners serve overlapping six-year terms. Annually, the Board selects a President, Vice President and Secretary from among its members. The current Commissioners are as follows:

Bonnie Lowenthal–President. Ms. Lowenthal was appointed to the Board in July 2017 and her six-year term ends on June 30, 2023. She was elected President of the Board by the other members of the Board in July 2019. She is a former California Assemblywoman, Long Beach City Councilwoman and Vice Mayor, and Long Beach Unified School District Board member. In 1994, Ms. Lowenthal was elected to the first of two terms on the Long Beach school board. She then won the First District City Council seat in a 2001 special election and was elected to full terms in 2002 and 2006 before being elected to the Assembly in 2008. While a City Council member, Ms. Lowenthal was selected as Vice Mayor in 2006. As a Councilwoman, she also served on the board for the Los Angeles County Metropolitan Transportation Authority. She also has served as a licensed family counselor, mental health consultant and educator. Ms. Lowenthal’s pre-political work is rooted in the local Cambodian community, beginning as Director of Planning for the United Cambodian Community in 1989. She earned a Bachelor’s Degree in Sociology from the University of Wisconsin and a Master’s Degree in Community and Clinical Psychology from California State University, Long Beach.

Frank Colonna–Vice President. Mr. Colonna was appointed to the Board in July 2017 to complete the remainder of a former Commissioner’s term, which will conclude June 30, 2021. He was elected Vice President of the Board by the other members of the Board in July 2019. He has been a real estate professional and business owner in Long Beach for more than 30 years. Mr. Colonna recently served on the City’s Economic Development Commission, from 2015 to 2017. He was elected as Long Beach Councilmember for the Third District in 1998 and reelected in 2002, serving as Vice Mayor from 2002 to 2004. Before entering public service, Mr. Colonna began his own successful real estate business and served eight years as the President of the Belmont Shore Business Association. He also has served in leadership roles with the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the Governing Board of ACTA, and the Gateway Cities Council of Governments. Mr. Colonna graduated from California State University, Long Beach, with a Bachelor of Science degree, and received his master’s degree in Environmental Health from California State University, Northridge. After graduation, he joined the military where he honorably served as 1st Lieutenant in the California Army National Guard.

Lou Anne Bynum–Secretary. Ms. Bynum was appointed to the Board in 2014 to fill a vacant seat and was reappointed to the Board in 2015. Her six-year term ends on June 30, 2021. She was elected Secretary of the Board by the other members of the Board in July 2019. Ms. Bynum recently retired from a 20-year career at Long Beach City College (“LBCC”), where she served as Executive Vice President of College Advancement and Economic Development since 2012. Under her leadership, LBCC brought in and administered more than \$125 million in grants and contracts leading to a number of awards for the quality and success of the programs. Ms. Bynum has served in volunteer leadership roles for local, regional and national organizations and is a current appointee by the U.S. Secretary of Commerce to the National Advisory Council on Innovation and Leadership. Ms. Bynum received a bachelor’s degree in History from California State University, Long Beach and a master’s Degree in Applied Linguistics/Teaching English to Speakers of Other Languages from the University of California, Los Angeles.

Tracy J. Egoscue–Commissioner. Ms. Egoscue was appointed to the Board in 2014 and her six-year term ends on June 30, 2020. Ms. Egoscue is owner and founder of the City-based environmental law firm, Egoscue Law Group. Before founding Egoscue Law Group, Ms. Egoscue served as counsel for the environmental practice group of the international law firm of Paul Hastings LLP. Prior to that, Ms. Egoscue served as Executive Officer of the State of California Regional Water Quality Control Board-Los Angeles Region and as Executive Director of the Santa Monica Baykeeper. Ms. Egoscue has also served as a Deputy Attorney General for the California Department of Justice. She currently serves on the Board of Directors of the Bay Foundation and Mujeres de la Tierra. Ms. Egoscue received a bachelor's degree from the University of California, Santa Barbara, and a juris doctorate from George Washington University in Washington, D.C.

Steven Neal–Commissioner. Mr. Neal was appointed to the Board in July 2019 and his six-year term will end on June 30, 2025. Mr. Neal is a former Long Beach City Council member who represented the 9th District from 2010 to 2014. He is also the senior pastor for LIFE Gospel Ministries and a longtime leader in the Long Beach community. He has served on the Long Beach Transit board and the Pacific Gateway Workforce Investment Network board and was chairman of the Measure A Citizens' Oversight Committee. He is also co-founder of the Economic and Policy Impact Center, a new nonprofit agency working to advance economic opportunity for working families. A longtime leader in the labor movement since his first election as a shop steward in the Retail Clerks Union Local 324, Mr. Neal worked his way up the ranks as a member of CWA Local 956 to become executive vice president and served in the Los Angeles County Federation of Labor.

The Staff. The Charter provides that the Board appoint and employ an Executive Director, who acts as the chief executive of the Harbor Department and who exercises the management of all affairs of the Harbor Department. The management and administration of the Harbor Department is divided into four bureaus. The Finance and Administration Bureau consists of four divisions: the Finance Division, the Information Management Division, the Real Estate Division and the Risk Management Division. The Commercial Operations Bureau consists of three divisions: the Business Development Division, the Security Services Division and the Tenant Services Division. The Planning and Environmental Affairs Bureau consists of three divisions: the Environmental Planning Division, the Master Planning Division and the Transportation Planning Division. The Engineering Services Bureau consists of six divisions: the Design Division, the Maintenance Division, the Program Management Division, the Construction Management Division, the Project Controls Division and the Survey Division. The Finance and Administration Bureau and the Commercial Operations Bureau both report to the Deputy Executive Director, Administration & Operations. The Planning and Environmental Affairs Bureau and the Engineering Bureau both report to the Deputy Executive Director, Planning and Development. Three divisions are not housed in any Bureau: the Communications Division, the Human Resources Division, and the Government Relations Division. These three divisions all report to the Deputy Executive Director, Administration & Operations. Both of the Deputy Executive Directors and the Capital Programs Executive report directly to the Executive Director. The executive management of the Harbor Department includes the following individuals:

Mario Cordero–Executive Director. Mr. Cordero was appointed Executive Director of the Harbor Department effective May 2017. Prior to assuming the position of Executive Director of the Harbor Department, he served as chairman of the Federal Maritime Commission; being appointed by President Obama in 2011. Between 2003 and 2011, Mr. Cordero served as a Commissioner on the Board. During his tenure as a Commissioner, he played key roles in developing the Green Port Policy and expanding the Port's community outreach program. Mr. Cordero holds a law degree from the University of Santa Clara and a bachelor's degree in Political Science from California State University at Long Beach. He has practiced law for more than thirty years, and taught Political Science at Long Beach City College.

Dr. Noel Hacegaba–Deputy Executive Director, Administration and Operations. Dr. Hacegaba was appointed Deputy Executive Director, Administration and Operations in August 2018. He is

responsible for managing the day-to-day administrative and operating functions of the Port, including finance, human resources, real estate, business development, operations and security. Dr. Hacegaba previously served as Managing Director of Commercial Operations and Chief Commercial Officer from October 2014 to August 2018. He led a team of 130 employees responsible for operating the Harbor Department's business development, customer service, port operations and security functions and was the senior executive responsible for developing and implementing the Harbor Department's commercial strategy. Prior to that, Dr. Hacegaba served as Acting Deputy Executive Director and Chief Operating Officer and was responsible for managing the daily business activities of the Harbor Department. Dr. Hacegaba's 23 years of public and private sector experience, spanning a variety of industries, includes working for a Fortune 500 company, as a chief of staff for an elected official, a business executive for an international trading company, a research analyst for a policy research group and as a management consultant. He is a graduate of the University of Southern California, with degrees in economics (bachelors and masters), business administration (bachelors) and urban planning (masters). He also earned his doctorate degree in public administration from the University of La Verne. Dr. Hacegaba has also received the professional designations of Certified Port Executive and Port Professional Manager and serves on the boards of various industry-related organizations, including the Intermodal Association of North America, Marine Exchange of Southern California, Harbor Association of Industry and Commerce and the American Association of Port Authorities Professional Development Board.

Richard D. Cameron—Deputy Executive Director, Planning and Environmental Affairs. Mr. Cameron was appointed as the Deputy Executive Director, Planning and Environmental Affairs Bureau of the Harbor Department in August 2018. Prior to this recent appointment, he served as the Managing Director, Planning and Environmental Affairs Bureau of the Harbor Department since January 2014. He oversees the Planning and Environmental Affairs Bureau that includes Environmental Planning, Master Planning and Transportation Planning. Mr. Cameron joined the Harbor Department in 1996 as an Environmental Specialist, was promoted to Manager of Environmental Planning and named Director of the newly-created Division of Environmental Planning in 2007 before being appointed Acting Managing Director in July 2013. Earlier in his career he managed environmental programs for the Port of Los Angeles and served as a consultant for various clients. Mr. Cameron has a bachelor's degree in urban and regional planning from California State Polytechnic University, Pomona.

Sam Joumblat—Managing Director, Finance and Administration. Mr. Joumblat was appointed Managing Director, Finance and Administration in August 2017, when he rejoined the Harbor Department after being away for three and a half years. Prior to rejoining the Harbor Department, Mr. Joumblat managed the financial and human resources areas for approximately a year and a half at Port Solutions Holdings, a private equity-owned transportation company. Prior to working for Port Solutions Holdings, he spent approximately two years with Metrolink, as the Chief Financial Officer and Treasurer. He also served as interim Chief Executive Officer of Metrolink for a period of four months. Prior to going to work at Metrolink, Mr. Joumblat was the Chief Financial Officer of the Harbor Department for eight years, and prior to that, he was the Deputy City Auditor with the City for three years. Mr. Joumblat holds a master's degree in business administration, a master's of science degree in mechanical engineering and a master's of science degree in industrial engineering, all from the University of Southern California. He also holds a bachelor's of science degree in mechanical engineering. Mr. Joumblat is a Certified Public Accountant, licensed to practice in the State of California.

Wei Chi—Director of Finance. Mr. Chi was appointed as the Director of the Finance Division in the Finance and Administration Bureau in May 2019, when he rejoined the Harbor Department after being away approximately eleven years. Prior to rejoining the Harbor Department, Mr. Chi worked as Deputy Executive Director, Comptroller for Los Angeles World Airports. In that role, he was part of the executive team that oversaw the implementation of an ambitious \$14 billion overhaul of LAX, including the expansion of the airport's international terminal, the modernization of three domestic

terminals and several airfield improvements. In his original employment with the Harbor Department, Mr. Chi was an assistant chief financial officer from 2007 to 2008, where he spearheaded the San Pedro Bay Ports' Clean Trucks Program financial initiatives. Prior to his first stint with the Port of Long Beach, Mr. Chi was a senior executive with BP and ARCO, serving in a variety of roles touching on retail, diversity, business development, marketing, treasury and financial planning. Mr. Chi holds a Master of Business Administration degree in Finance from the Wharton School at the University of Pennsylvania, and a Bachelor of Science degree in Chemical Engineering from Columbia University.

Employee Relations

As of January 1, 2020, the Harbor Department employed approximately 517 people. With the exception of management and unclassified positions, all employees are hired through the City Civil Service system and are represented by the International Association of Machinists and Aerospace Workers ("IAM"), the Long Beach Association of Engineering Employees ("LBAEE"), the Association of Long Beach Employees ("ALBE"), the Long Beach Supervisors Employee Association ("LBSEA"), or the Long Beach Management Association ("LBMA") under the terms of separate Memoranda of Understanding. The Memorandum of Understanding with the IAM became effective October 1, 2016 and expired on September 30, 2019; employees represented by the IAM continue to work under the terms of the expired Memorandum of Understanding until a new agreement becomes effective. The Memorandum of Understanding with the LBAEE became effective October 1, 2015 and expired on September 30, 2019; employees represented by the LBAEE continue to work under the terms of the expired Memorandum of Understanding until a new agreement becomes effective. The Memorandum of Understanding with ALBE expired September 30, 2018; employees represented by ALBE continue to work under the terms of the expired Memorandum of Understanding until a new agreement becomes effective. The Memorandum of Understanding with the LBSEA became effective July 15, 2016 and expired on September 30, 2019; employees represented by the LBSEA continue to work under the terms of the expired Memorandum of Understanding until a new agreement becomes effective. The Memorandum of Understanding with the LBMA became effective retroactive to October 1, 2015 and expired on September 30, 2019; employees represented by the LBMA continue to work under the terms of the expired Memorandum of Understanding until a new agreement becomes effective. The employees of the Harbor Department do not work for the tenants of the Port and therefore any work stoppage related to the negotiations of new Memoranda of Understanding would not affect the collection of Revenues. See "—Stevedoring and Cargo Handling."

Current Port Facilities

General. The Port covers approximately 7,600 acres (or approximately 11.9 square miles), of which approximately 4,400 acres (or approximately 6.9 square miles) are water and includes all harbor facilities of the City. The Port has approximately 31.5 miles of waterfront with 65 deep-water cargo berths. The Port's main channel is 76 feet deep. Container terminals occupy 1,253 acres, auto terminals occupy 144 acres, break-bulk and general cargo terminals occupy 77 acres, dry bulk terminals occupy 84 acres, and petroleum and liquid bulk terminals occupy 44 acres. The Port has six container terminals with 74 gantry cranes, all of which are post-panamax cranes, and all of which are owned by various tenants of the Port. Five container terminals are served by on-dock rail yards. Additional cargo handling facilities include three transit sheds and one warehouse. Transit sheds are of concrete and steel construction. Wharves are constructed of reinforced concrete supported by reinforced concrete pilings or sheet pile bulkhead. Wharf aprons at all transit shed berths average 50 feet in width. Rail tracks serve all major marine facilities. The Harbor Department owns a total of 104 miles of rail trackage. Current Harbor Department plans include enlarging and consolidating several of the container terminals due to the demand for larger facilities. See "CAPITAL DEVELOPMENT PROGRAM" for information on the expansion of the Port.

The Port is protected by a federally constructed and maintained breakwater over nine miles in length. Within the federal breakwater, access to the Port's terminals is provided via a network of channels. The entrance to and through the federal breakwater and throughout the main channel has a water depth of 76 feet. Channels extending from the main channel to outer harbor terminals south of the Gerald Desmond Bridge have water

depths ranging from 48 to 55 feet. Channels extending from the main channel into inner harbor terminals north of the Gerald Desmond Bridge have water depths ranging from 45 to 52 feet. Water depths at specific terminal berths vary and are addressed in the sections that follow.

Shipments to and from the Port can be received or dispatched by water, rail or truck. Two major rail lines, BNSF and Union Pacific, serve the Port. These rail carriers have connections with the Port's rail system and offer reciprocal switching arrangements. Rail service to and from the Port increased after the opening in 2002 of the Alameda Corridor. The Alameda Corridor consists of a 20-mile long, multiple-track rail system that links the rail yards and tracks at the Port and the Port of Los Angeles with the Railroads' transcontinental mainlines originating near downtown Los Angeles, California. The Alameda Corridor consolidated 90 miles of pre-existing rail lines on four separate routes, into an integrated system that is separated from non-rail traffic along Alameda Street. The consolidated rail route eliminated more than 200 at-grade points of conflict between east-west streets and highways and north-south railroad traffic. ACTA was responsible for administering the overall design and construction of the Alameda Corridor (with the exception of specific work that was completed by the Railroads, certain utility owners and local agencies), and ACTA is now responsible for the operation of the Alameda Corridor, including all activities related thereto. See "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Other Obligations—ACTA Shortfall Advances and Surety Obligation Payments."

In addition, the Port is located at the end of Interstate 710 (the "710 Freeway"), which provides access to the interstate highway system. Major highway carriers serve the Port and provide transportation to all parts of the United States. Some of the containers leaving and entering the Port are also handled at the Intermodal Container Transfer Facility (the "ICTF"), a specialized rail yard located four miles from the Port for the transfer of containers between trucks and railcars, and to the switchyards of BNSF and Union Pacific. Truck travel to such switchyards takes approximately 30 to 60 minutes. The ICTF was financed and constructed by Southern Pacific Transportation Company and the Intermodal Container Transfer Facility Joint Powers Authority, a joint powers authority organized by the San Pedro Bay Ports. The ICTF is now operated by Union Pacific.

Container Terminals. Containerized cargo represents the largest source of revenue for the Harbor Department. For the 12 months ended September 30, 2019, containerized cargo accounted for approximately 75.5% (unaudited) of the Harbor Department's total operating revenue, primarily through the collection of wharfage. See "—Property Agreements" and "—Port Tariffs." See "CAPITAL DEVELOPMENT PROGRAM—2019-28 Capital Plan" for information on the construction and improvement of the container terminals at the Port. The following is a summary of the major container facilities at the Port.

Pier A. SSA Terminals (Pier A), LLC currently operates the container terminal on Pier A (the "Pier A Container Terminal"). The Pier A Container Terminal is an approximately 159-acre facility that includes three berths, a 3,600-foot-long wharf with a water depth of 50 feet, two gate facilities with a total of 28 truck lanes, a storage area for approximately 24,000 on-ground containers, power outlets for 650 refrigerated containers and an on-site railyard capable of handling two double-stack trains simultaneously. Ten gantry cranes with capacities ranging from 40 tons to 60 tons facilitate cargo movement. The facilities at the Pier A Container Terminal can handle ships carrying up to 9,500 TEUs. See "—Operating Performance—Leading Revenue Producers—Restructuring of Preferential Assignment Agreements for Pier A and T Container Terminals."

Pier C. SSA Terminals LLC operates a 68-acre container terminal at Pier C (the "Pier C Container Terminal"), which includes two berths, an 1,800 foot-long wharf with a water depth of 42 feet, a storage area for approximately 4,000 on-ground containers and power outlets for 272 refrigerated containers. Three 40-ton to 60-ton capacity gantry cranes facilitate cargo movement. The facilities at the Pier C Container Terminal can handle ships carrying up to 4,500 TEUs.

Middle Harbor Terminal. The container terminals on Piers D, E and F (collectively, the "Middle Harbor Terminal") are currently being consolidated into one 311-acre container terminal as part of the "Middle Harbor Terminal Redevelopment Program." Phases 1 and 2 of the Middle Harbor Terminal Redevelopment Program

were completed and became operational in 2015 and 2017, respectively. Phase 3 is underway and is scheduled to be completed in late-2020. Once the overall Middle Harbor Terminal Redevelopment Program is fully complete, the facility will include three berths and a new 4,200-foot long concrete wharf with a water depth of 55 feet that will support 14 modern gantry cranes that will be able to handle ships carrying up to 24,000 TEUs and able to move up to an estimated 3.3 million TEUs annually. See “CAPITAL DEVELOPMENT PROGRAM—2019-28 Capital Plan—Middle Harbor Terminal Redevelopment Program (Piers D, E and F).”

In 2012, the Harbor Department and Orient Overseas Container Line LLC (“OOCL”) entered into a 40-year Preferential Assignment Agreement (the “PAA”) for the Middle Harbor Terminal. Based on the guaranteed annual minimum payments required to be made by OOCL pursuant to the terms of the PAA, the Harbor Department expects the agreement will generate a minimum of approximately \$4.6 billion of operating revenue for the Harbor Department over the 40-year term. The facility is currently operated by OOCL’s subsidiary and sublessee, LBCT LLC (“LBCT”). In 2017, China Overseas Shipping Company (“COSCO”) agreed to purchase the parent company of OOCL. However, in order to receive U.S. government approval for the purchase, COSCO agreed to divest its ownership in LBCT. Any purchaser of COSCO’s interest in LBCT would have been required to assume all of the obligations (including guaranteed annual minimum payments) of OOCL under the PAA subject to approval of the Board. [In lieu of such sale of COSCO’s interest in LBCT, OOCL sold its interest in the PAA to a consortium led by Macquarie Infrastructure Partners on October 24, 2019].

Pier G. International Transportation Service Inc. (“ITS”) operates a container terminal at Pier G (the “Pier G Container Terminal”). The Pier G Container Terminal is an approximately 258-acre facility that includes five berths, 6,379 feet of wharves with water depths ranging from 42 feet to 52 feet, a storage area for approximately 12,800 on-ground containers, power outlets for 1,100 refrigerated containers and an on-dock railyard. The Pier G Container Terminal has 14 gantry cranes, with capacities ranging from 30-tons to 60-tons. The facilities at the Pier G Container Terminal can handle ships carrying up to 14,000 TEUs.

Pier J. Pacific Maritime Services LLC (a joint venture between SSAT, CMA CGM and COSCO) operates from Pier J (the “Pier J Container Terminal”). The Pier J Container Terminal is an approximately 256-acre facility that includes five berths, 5,900 feet of wharves with water depths ranging from 48 feet to 50 feet, a storage area for approximately 12,320 on-ground containers, power outlets for 685 refrigerated containers and an on-dock railyard. The Pier J Container Terminal has 15 gantry cranes, with capacities ranging from 40-tons to 60-tons. The facilities at the Pier J Container Terminal can handle ships carrying up to 18,000 TEUs.

Pier T. Total Terminals International, LLC (a joint venture between Terminal Investment Limited SARL (a subsidiary of Mediterranean Shipping Company) and Hyundai Merchant Marine), operates the Port’s largest container terminal on Pier T (the “Pier T Container Terminal”). The Pier T Container Terminal is an approximately 380-acre facility that includes five berths, a 5,000 foot-long wharf with a water depth of 55 feet, a storage area for approximately 8,300 on-ground containers, power outlets for 1,850 refrigerated containers and an on-dock railyard. The Pier T Container Terminal has sixteen 65-ton gantry cranes. The facilities at the Pier T Container Terminal can handle ships carrying up to 18,000 TEUs. See “—Operating Performance—Leading Revenue Producers—Restructuring of Preferential Assignment Agreements for Pier A and T Container Terminals.”

Dry Bulk. For the 12 months ending September 30, 2019, dry bulk accounted for approximately 8.9% (unaudited) of the Harbor Department’s total operating revenue, primarily through the collection of wharfage. The following is a summary of the major dry bulk facilities at the Port.

Piers G and F. Approximately 7.2 million (unaudited) and 7.6 million metric tons of dry bulk products were exported through the dry bulk terminals on Piers G and F in each of the Fiscal Years 2019 and 2018, respectively. These products include petroleum coke, calcined petroleum coke, coal and sulfur.

The Pier G bulkloader consists of two conveyor system shiploaders operated by Metropolitan Stevedore Company. Dry bulk products are stored temporarily in seven specifically-designed sheds that have a total

capacity of 586,000 tons and are moved automatically to dockside, where ships are loaded at 3,900 tons per hour. An eighth storage shed, used to store coal, has a capacity of 150,000 tons of product and includes two rotary plow feeders, with a capacity of 3,000 metric tons per hour, which are connected via conveyor to the Pier G shiploaders. The storage sheds are leased to industrial firms that transport their products to the Port for sale abroad. The entire facility is automated and is capable of high-speed handling of cargo by truck or rail. A rotary railroad car dumper is capable of emptying an entire 100-car train in less than four hours, and bottom dumpers on two different track systems also operate at high capacity.

The Pier F bulkloader consists of an automated conveyor shiploader and a ten acre silo complex operated by Koch Carbon Inc. for the storage and exporting of petroleum coke. The petroleum coke is delivered by rail or truck to the silos, screened, sorted and stored for shipment overseas.

Cement Facilities. There are two cement terminals at the Port. CEMEX Pacific Coast Cement Corporation operates a 50,000 ton capacity bulk cement terminal from Pier D. This terminal has six silos and a pollution free enclosed unloader that can unload directly into the silos. The screw type unloader has a capacity to handle up to 800 tons of cement per hour. A second cement terminal is located on Pier F and utilizes a vacuum type unloader. Operated by MCC Terminal, Inc., this facility can handle 800 tons per hour and, instead of a silo system, utilizes a warehouse (with a capacity of 52,000 tons) to house and transfer product.

Salt. At Pier F, Morton Salt Co. handles bulk solar salt shipped from Baja, California. This salt is used primarily in water softeners and by chemical companies. Conveyor belts, cranes and other equipment are used for unloading and stockpiling the crude salt, which is then graded and bagged or delivered in bulk.

General Cargo. For the 12 months ending September 30, 2019, general cargo accounted for approximately 5.5% (unaudited) of the Harbor Department's total operating revenue, primarily through the collection of wharfage and facilities rentals. The following is a summary of the major general cargo facilities at the Port.

Vehicles. The Toyota Motor North America, Inc. automobile terminal currently occupies a total of 133 acres in the northern area of the Port on Pier B. Vehicles are unloaded at this terminal, cleaned, processed and transported to destinations from Southern California to the Midwest. Approximately 198,000 vehicles (unaudited) were shipped through this terminal during Fiscal Year 2019 as compared to approximately 201,000 vehicles during Fiscal Year 2018. A majority of all Lexus cars imported into the United States pass through this terminal. Toyota Motor Sales also exports vehicles manufactured at its factories in the United States through this terminal. Under the terms of the current lease, Toyota Motor North America, Inc. will relinquish approximately 15 of the total of 133 acres in approximately two (2) years.

Mercedes Benz vehicles arrive and are unloaded at Pier F, Berths 206 and 207. Crescent Terminals, Inc. ("Crescent Terminals") operates Berths 206 and 207. Mercedes received approximately 76,000 vehicles (unaudited) in Fiscal Year 2019 and approximately 75,000 vehicles in Fiscal Year 2018 through these facilities.

Forest Products. Weyerhaeuser Company, a subtenant of Fremont Forest Group Corporation, located at Pier T, transports framing lumber by barge from Coos Bay, Oregon, and Longview and Aberdeen, Washington. At this facility, approximately 191 million board feet of lumber are handled annually.

Metals. SA Recycling, LLC operates a recycled steel and iron ore facility on Pier T that includes an 850 foot wharf with a steel reinforced concrete storage area and two loading cranes. The facility is served by rail and truck and has the capacity to handle 650,000 tons per year.

Break Bulk. CSA Equipment Inc. (a joint venture of SSA and Cooper/T. Smith) occupies Berths 204-205 on Pier F, and mainly handles machinery, equipment and steel products imported from the Far East. The CSA terminal has an 180,000 square foot storage shed on-site. At Berths F206 and F207 Crescent Terminals, in

addition to the Mercedes Benz vehicles, handles other products, including finished steel and project cargo. The Crescent terminal has a 190,000 square foot storage shed on-site.

Petroleum/Liquid Bulk. For the 12 months ending September 30, 2019, petroleum/liquid bulk accounted for approximately 5.6% (unaudited) of the Harbor Department’s total operating revenue, primarily through the collection of wharfage per barrel. The following is a summary of the major petroleum/liquid bulk facilities at the Port.

Petroleum Bulk. The Port maintains five bulk oil terminals; two are leased to Tesoro Refining and Marketing Company (“Tesoro”) (on Pier B), a subsidiary of Marathon Petroleum Corp.; one is leased to Carson Cogeneration LLC, a subsidiary of Marathon Petroleum Corp. (on Pier T); one is leased to Petro Diamond Terminal Co. (“Petro Diamond”) (on Pier B); and one is leased to Chemoil Terminals LLC (“Chemoil”) (on Pier F). Each terminal is connected directly to the storage and tank farms of the respective lessee. The Tesoro and Carson Cogeneration terminals handle primarily crude oil, while the Petro Diamond and Chemoil terminals primarily handle finished petroleum products such as gasoline, vessel bunker fuel and jet fuel. The total movement of crude and refined petroleum products during Fiscal Year 2019 was approximately 31.6 million metric tons (unaudited) as compared to approximately 32.2 million metric tons during Fiscal Year 2018.

Liquid Bulk (Chemical and Oils). Liquid bulk is handled by Vopak North America at Pier S, Berth S101. Large heavy duty pumps handle a variety of bulk liquids such as chemicals. Additional tank storage capacity is nearby at locations linked by direct pipeline to the berth facilities.

Marine Commerce and Cargoes

The Harbor Department derives the majority of its revenue from containerized cargo operations. The Port handles “local cargo” that “naturally” moves through Southern California (e.g., cargo consumed within the locally defined region) and “discretionary cargo” (cargo that is not consumed within the locally defined region but moves through Southern California for other reasons (e.g., inland distribution capability)). Currently, approximately 65% of the cargo handled by the Port is discretionary cargo. Most discretionary cargo is moved via rail to inland destinations both within and outside California. The amount of discretionary cargo handled by the Port varies on a month-to-month basis and on a year-to-year basis because ocean carriers and cargo owners can choose between various ports to get their cargoes to inland destinations. See “CERTAIN INVESTMENT CONSIDERATIONS—Port Competition.”

Tonnage. The Harbor Department tracks the volume of marine commerce by Metric Revenue Tons (“MRTs”). Marine commerce passing through the Port by MRTs and TEUs during the last five Fiscal Years is summarized in the following table:

TABLE 4
Harbor Department of the City of Long Beach
Revenue Tonnage and TEU Summary
(Fiscal Year Ended September 30)

	2015	2016	2017	2018	2019 ³
Inbound/Outbound Cargo in Revenue Tonnage (MRTs)¹					
<i>Inbound Cargo</i>					
Foreign	98,464,085	93,927,997	99,467,872	108,811,492	104,012,357
Coastwise/InterCoastal	26,060,757	29,008,568	30,977,282	30,786,620	30,058,159
Total Inbound Cargo	<u>124,524,842</u>	<u>122,936,565</u>	<u>130,445,154</u>	<u>139,598,112</u>	<u>134,070,516</u>
<i>Outbound Cargo</i>					
Foreign	33,592,125	32,737,305	32,922,688	36,217,699	34,418,220
Coastwise/InterCoastal	4,843,410	3,995,516	3,257,747	3,515,854	3,618,210
Bunkers	1,313,215	1,652,476	1,474,261	1,261,238	853,516
Total Outbound Cargo	<u>39,748,750</u>	<u>38,385,297</u>	<u>37,654,696</u>	<u>40,994,791</u>	<u>38,889,946</u>
<i>Total Cargo in Revenue Tonnage</i>	<u>164,273,592</u>	<u>161,321,863</u>	<u>168,099,850</u>	<u>180,592,903</u>	<u>172,960,462</u>
Container Count in TEUs²	7,087,700	6,946,257	7,231,758	8,000,929	7,747,251

¹ A Metric Revenue Ton is equal to either 1,000 kilograms or one cubic meter.

² A TEU represents a twenty-foot equivalent unit.

³ Unaudited.

Source: Harbor Department

Cargo volumes as measured by MRTs and by TEUs decreased by approximately 4.2% and 3.2%, respectively, in Fiscal Year 2019 as compared to Fiscal Year 2018. These decreases are mostly attributable to [_____] [To be discussed]. Also, see “FINANCIAL DATA” for a discussion of the Harbor Department’s Fiscal Year 2019 financial results.

Cargo Summary. For the Fiscal Year ended September 30, 2019, the Port’s principal inbound cargoes were bulk petroleum, metal and metal products, furniture, machinery, motor vehicle parts, electronics, apparel, rocks and minerals, plastics, and food products, and its principal outbound shipments were petroleum coke, wastepaper and wood pulp, food products, animal feed, scrap metal, chemicals, textiles, coal, plants and plant products and bulk petroleum.

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The following is a breakdown of cargo handled at the Port during the past three Fiscal Years in tonnage and operating revenues:

TABLE 5
Harbor Department of the City of Long Beach
Cargo Summary
(Fiscal Years Ended September 30, 2017, 2018 and 2019)

Type of Cargo	2017				2018				2019 ³			
	Metric Revenue Tons (000's)	Percent of Total Tons	Operating Revenue (000's) ¹	Percent of Operating Revenue ¹	Metric Revenue Tons (000's)	Percent of Total Tons	Operating Revenue (000's) ¹	Percent of Operating Revenue ¹	Metric Revenue Tons (000's)	Percent of Total Tons	Operating Revenue (000's) ¹	Percent of Operating Revenue ¹
Containerized	127,037	76%	\$291,421	76%	138,914	77%	\$310,885	77%	132,377	77%	\$311,126	75%
Petroleum/Liquid Bulk	32,628	19	18,126	5	32,170	18	16,912	4	31,613	18%	23,182	6%
Dry Bulk	7,170	4	34,719	9	8,136	5	36,657	9	7,740	4%	36,881	9%
General Cargo	1,265	1	20,221	5	1,372	1	19,923	5	1,231	1%	22,608	5%
Total Cargo	<u>168,100</u>	<u>100%</u>	<u>\$364,486</u>	<u>95%</u>	<u>180,593</u>	<u>100%</u>	<u>\$384,376</u>	<u>95%</u>	<u>172,960</u>	<u>100%</u>	<u>\$393,796</u>	<u>96%</u>
Other Operating Revenues			<u>\$16,525</u>	<u>4%</u>			<u>\$17,302</u>	<u>4%</u>			<u>\$18,477</u>	<u>4%</u>
Total			<u>\$381,010</u>	<u>100%²</u>			<u>\$401,678</u>	<u>100%²</u>			<u>\$412,273</u>	<u>100%²</u>

¹ Operating Revenue includes operating revenues from wharfage, dockage, storage/demurrage, rentals, bunkers, special facilities rentals, utilities and other. See "TABLE 7—Harbor Department of the City of Long Beach; Sources of Operating Revenues."

² Numbers may not sum due to rounding.

³ Unaudited.

Source: Harbor Department

Trading Countries. The top five trading countries with the Harbor Department for the past five Fiscal Years, ranked based upon Fiscal Year 2019 results, are summarized in the following table:

TABLE 6
Harbor Department of the City of Long Beach
Five Leading Trading Countries
(Fiscal Year Ended September 30)
(Ranked on Fiscal Year 2019 Results)
(Metric Tons)

Countries	2015	2016	2017	2018	2019³
Inbound					
China	15,887,908	14,137,152	14,919,134	16,090,656	13,121,245
Saudi Arabia	1,232,156	2,439,698	2,841,776	3,259,872	2,651,830
Mexico	1,070,890	1,202,678	1,365,321	2,284,144	2,345,839
Iraq	490,618	841,876	1,716,318	2,597,131	2,312,546
Ecuador	2,827,043	1,951,651	1,825,308	1,534,146	2,153,811
Outbound					
China	6,959,573	7,206,548	6,211,031	5,207,297	3,453,161
Japan	3,415,336	2,805,147	3,246,380	3,696,326	3,203,248
Taiwan	1,358,436	1,286,463	1,120,022	1,315,391	1,978,259
South Korea	1,144,523	996,274	1,268,128	2,061,235	1,864,745
Vietnam	548,811	787,974	406,763	932,101	974,805

³ Unaudited.
Source: Harbor Department

In addition to the trading countries listed above, the other major inbound trading countries include South Korea, Nigeria, Japan, Thailand, and Vietnam, and the other major outbound trading countries/regions include Mexico, Australia, Indonesia, Hong Kong and Thailand.

Property Agreements

The Harbor Department operates the Port as a landlord through various property agreements entered into with the tenants of the Port. The property agreements, which convey the right to use, rent or lease Port assets, include leases, preferential assignment agreements, revocable permits, area assignments and pipeline licenses. Pursuant to the property agreements, the tenants of the Port pay the Harbor Department tariff charges (including, but not limited to, wharfage, dockage, storage and demurrage) and other fees, including crane and land rentals. See “—Port Tariffs” below.

Property agreements for industrial and commercial use constitute one of the Harbor Department’s largest and most stable sources of income. These agreements include preferential assignments, leases, revocable permits and area assignments. Over the last five Fiscal Years, property agreements covering waterfront property and facilities have generated in excess of 95% (unaudited) of the Harbor Department’s operating revenues. Under these agreements, the Board assigns or leases property and facilities to terminal operators for terms of up to 40 years. The property agreements with the Port’s top ten revenue producers have expiration dates ranging from 2022 to 2051, with eight of these agreements (including most of the agreements for the major container terminals) expiring between 2022 and 2034.

Most of the property agreements entered into by the cargo terminal operators are in the form of preferential assignment agreements. Under the preferential assignment agreements, the terminal operators primarily pay the Harbor Department tariff charges, mainly wharfage (the charge assessed when cargo crosses

the wharf) and dockage (the charge assessed for docking a vessel at a berth), for the use of the Port facilities. Most of the preferential assignment agreements with the cargo terminal operators contain a guaranteed annual minimum payment. For Fiscal Year 2019, the preferential assignment agreements with the Port's major container terminal operators contained guaranteed annual minimum payments of approximately \$282 million (unaudited). The preferential assignment agreements require that the compensation payable to the Harbor Department be renegotiated at various intervals ranging from two to five years, and if the parties cannot agree, compensation is to be set through arbitration.

Under most of the current property agreements, the terminal operators are responsible for the operation and maintenance of the property and facilities, but the Harbor Department retains responsibility for maintaining the structural integrity of the piers, wharves, bulkheads, retaining walls and fender systems. Under the property agreements, Port tenants are required to comply with all applicable environmental standards set by federal, state or local laws. Port tenants are liable for all costs, expenses, losses, damages, claims, cleanup costs and penalties arising from such tenant's failure to comply with applicable environmental standards. Additionally, Port tenants are required to carry commercial general liability insurance, including bodily injury and property damage liability on the leased premises and to name the City, the Board and the officers and employees of the Harbor Department as additional insureds. The property agreements also provide that if the property or facilities covered thereby are damaged by acts of God such as fire, flood or earthquake, or if work stoppages or strikes prevent operation of the property or facilities, compensation payable to the Harbor Department will be reduced in proportion to the interference with operations. See "—Stevedoring and Cargo Handling" below. See also "CERTAIN INVESTMENT CONSIDERATIONS—Security at the Port" and "—Seismic Risks."

During the last five Fiscal Years ended September 30, 2019, revenues from non-waterfront properties and miscellaneous sources have accounted for approximately 4.0% (unaudited) of the Harbor Department's operating revenues. These agreements generally provide for flat rentals or require payment of a percentage of gross revenues, subject to a fixed minimum rental.

Port Tariffs

The Board sets tariff charges for wharfage, dockage, pilotage, land usage, storage and demurrage applicable to all ships and cargo at municipal berths and wharves or otherwise using City owned property in the Harbor District. The current tariffs are published in the Port of Long Beach Tariff No. 4 (the "Port Tariff"). Under the terms of the various property agreements, the terminal operators, as permittees or lessees are responsible for collecting tariff charges and for remitting to the Harbor Department, all or any portion of such tariff charges required to be paid to the Harbor Department. The Harbor Department charges wharfage on a per container load of freight basis for container cargoes and a commodity rate per ton of cargo basis for bulk and break-bulk cargoes. Dockage is also charged on a per vessel, per day basis. See "—Property Agreements" above.

The Harbor Department and all other California public ports control and determine their own individual tariff structures. However, the ports cooperate in setting tariff rates through membership in the California Association of Port Authorities ("CAPA"). One of CAPA's goals is to establish and maintain reasonable and, as far as practicable, uniform terminal rates, charges, classifications, rules and regulations for the handling and movement of domestic and foreign waterborne cargo. These tariff provisions cover assignment of marine terminal facilities, as well as rates and provisions for vessel dockage, wharfage, wharf storage, wharf demurrage and other miscellaneous terminal charges necessary for the orderly movement of cargo. The goal is to permit California ports to obtain an adequate return on investment in order to facilitate the necessary maintenance, expansion and improvement of marine facilities. CAPA enjoys an exemption from federal antitrust laws which permits this cooperative rate setting. See "CERTAIN INVESTMENT CONSIDERATIONS—Factors Affecting Demand for Port Facilities."

The Harbor Department may increase tariff charges without amending the property agreements or receiving the consent of the tenants of the Port. See “CERTAIN INVESTMENT CONSIDERATIONS—Factors Affecting Demand for Port Facilities” and “—Port Competition.”

Operating Performance

Sources of Operating Revenues. As discussed under “—Property Agreements” and “—Port Tariffs” above, the Harbor Department derives income from tariffs assessed on shipping activity (primarily wharfage and dockage) and from leases, rentals and utility services. The following table summarizes the sources of the Harbor Department’s operating revenues for the past five Fiscal Years.

TABLE 7
Harbor Department of the City of Long Beach
Sources of Operating Revenues
(Fiscal Year Ended September 30)
(000’s)

	2015	2016	2017	2018	2019 ^{1 2}
Operating Revenues					
Berths & Special Facilities					
Wharfage	\$312,074	\$322,522	\$342,022	\$358,675	\$366,855
Dockage	10,773	8,089	7,134	7,219	6,460
Bunkers	1,048	1,412	1,269	1,054	747
Special Facilities Rentals	16,247	15,612	13,289	16,418	19,013
Crane Rentals ³	2,372	–	–	–	–
Other	620	536	771	1,010	721
<i>Total Berths & Special Facilities</i>	<u>\$343,134</u>	<u>\$348,171</u>	<u>\$364,486</u>	<u>\$384,376</u>	<u>\$393,796</u>
Rental Properties	\$ 9,881	\$ 9,958	\$13,732	\$14,279	\$15,668
Utilities/Miscellaneous	2,435	2,531	2,793	3,023	2,809
Total Operating Revenues	<u>\$355,450</u>	<u>\$360,660</u>	<u>\$381,010</u>	<u>\$401,678</u>	<u>\$412,273</u>

¹ See “FINANCIAL DATA” for a discussion of the Harbor Department’s Fiscal Year 2019 financial results.

² Unaudited.

³ The Harbor Department sold all of the cranes that it previously owned and leased to certain of the tenants at the Port. As a result of such sale, the Harbor Department no longer collects any crane rentals.

Source: Harbor Department

The Harbor Department has various incentive programs in place which are a direct offset to operating revenues. A new program to reward ocean carriers for additional loaded containers moved through the Port during Fiscal Year 2020 commenced in October 2019 (the “Ocean Common Carrier Incentive Program”). Under the Ocean Common Carrier Incentive Program, ocean carriers are eligible to receive a \$10 cash incentive per TEU for each incremental loaded container moved through the Port during Fiscal Year 2020 in excess of such ocean carrier’s adjusted volume for Fiscal Year 2019 up to a maximum of \$2 million annually. The loaded TEU volume increase percentage for an ocean carrier for Fiscal Year 2020 will be decreased by the trans-Pacific market percentage growth rate during Fiscal Year 2020. The Ocean Common Carrier Incentive Program would result in lump sum payments to the qualifying ocean carriers, the corresponding increase in shipping activity should also result in increased operating revenues from such increase in shipping activity. Under the Green Flag Incentive Program, ocean vessels that observe a 12-knot speed limit 40 nautical miles offshore qualify for a dockage rate reduction of 25%. See “THE PORT OF LONG BEACH – Environmental Compliance - Air Pollution Reduction Programs (Clean Air Action Plan) - Green Flag Incentive Program.” The Green Ship Incentive Program awards \$2,500 per ship call for vessels meeting the 2011 Tier 2 standards and \$6,000 per ship

call for vessels meeting the 2016 Tier 3 standards. See THE PORT OF LONG BEACH – Environmental Compliance - Air Pollution Reduction Programs (Clean Air Action Plan) - Green Ship Incentive Program.”

Leading Revenue Producers

The following companies represent the Harbor Department’s twenty largest customers in terms of revenues, listed alphabetically. These customers accounted for approximately 95% (unaudited) of the Harbor Department’s operating revenue in Fiscal Year 2019. The largest single customer accounted for approximately 23% (unaudited) of the Harbor Department’s operating revenues in Fiscal Year 2019.

TABLE 8
Harbor Department of the City of Long Beach
Leading Revenue Producers
Fiscal Year 2019¹

Carson Cogeneration Company	Pacific Maritime Services (Pacific Container Terminal)
Chemoil Corporation	Pacific Crane Maintenance Company, LLC
Crescent Terminals, Inc.	S7 Sea Launch Limited (Formerly Energia Logistics Ltd.)
CSA Equipment	SA Recycling, LLC
International Transportation Service, Inc.	SSA Terminals, LLC
Jacobsen Pilot Service, Inc.	SSA Terminals (Pier A), LLC
Koch Carbon, Inc.	Tesoro Refining & Marketing
Metropolitan Stevedore Company	Tesoro Logistics LP
OOCL, LLC – LBCT LLC	Total Terminals International, LLC
Oxbow Energy Solutions, LLC	Toyota Motor Sales USA, Inc.

¹ Unaudited.
Source: Harbor Department

Stevedoring and Cargo Handling

Arranging for stevedoring and cargo handling services is the responsibility of each marine terminal operator. Stevedoring and cargo handling at the Port are provided pursuant to a contract between the Pacific Maritime Association (the “Association”) and the International Longshore and Warehouse Union (“ILWU”). The contract covers approximately 20,000 dockworkers on the West Coast, including approximately 13,000 dockworkers at the San Pedro Bay Ports. The Association represents most of the ocean carriers, marine terminal operators and stevedore companies on the Pacific Coast. The major providers of stevedoring and terminal services include Cooper/T. Smith Stevedoring, Metropolitan Stevedore Company (doing business as Metro Ports), Stevedoring Services of America, and Ports America Inc., along with ocean carrier-owned terminal operating companies such as OOCL, LLC - LBCT and Total Terminals International, LLC.

The current contract between the Association and the ILWU was entered into on May 21, 2015 and was ratified by the ILWU membership on May 22, 2015, retroactive to July 1, 2014. The current contract originally had an expiration date of June 30, 2019, but a three-year extension was negotiated by the Association and the ILWU and ratified by the ILWU membership on August 7, 2017. The current contract now has an expiration date of July 1, 2022.

The previous contract between the Association and ILWU expired on June 30, 2014. The Association and the ILWU began negotiating a new contract in May 2014, but did not agree on a new contract until February 2015. The protracted negotiations had a compounding effect on congestion issues that slowed container cargo movements through the Port between September 2014 and February 2015. The Harbor Department’s revenues and container volumes at the Port were temporarily impacted during Fiscal Year 2015

as a result of the slowdown and other congestion factors, but full-Fiscal Year revenues were not materially affected and container volumes recovered and were slightly higher than the prior Fiscal Year (4%).

In December 2012, a strike by the members of the Office Clerical Unit (“OCU”) of the ILWU resulted in an eight-day closure affecting only three container terminals in the San Pedro Bay that used OCU workers. The members of the OCU are employed by some of the shipping lines and terminal operators that operate at the San Pedro Bay Ports. The OCU and the shipping lines and terminal operators, subsequently agreed to new contracts and the closed terminals were reopened. There was no financial impact to the Harbor Department as a result of the OCU strike.

Prior to the OCU related work stoppage in December 2012, there had been no prolonged work stoppage since October 2002. In October 2002, after the Association and the ILWU failed to agree upon a new contract, the shipping lines and terminal operators instituted a lock-out of ILWU workers, thereby shutting down all West Coast ports, including the Port, for 10 days. Work resumed when the President of the United States ordered the ports to re-open pursuant to the Taft-Hartley Act. Prior to the 2002 lock-out, there had not been a prolonged work stoppage since 1971. Other than the work stoppages in 1971 and 2002, there has generally been a history of excellent working relationships between the ILWU and the employers represented by the Association. Prolonged work slowdowns or stoppages, particularly if combined with excessive congestion, could adversely affect revenues of the Harbor Department. The employees of the Harbor Department do not work for the tenants of the Port or the stevedoring companies.

Environmental Compliance

General. The Harbor Department is required to comply with the provisions of a number of federal and state laws designed to protect or enhance the environment. The two basic laws are the Federal National Environmental Policy Act (“NEPA”) and the State of California Environmental Quality Act (“CEQA”). Other federal environmental laws applicable to the Port include the Resources Conservation and Recovery Act, which governs the cleanup, treatment and disposal of hazardous waste; the Clean Air Act, which governs the release of air pollutants; the Toxic Substances Control Act, which governs the handling and disposition of polychlorinated biphenyls (PCBs) and other toxic substances; the Marine Protection, Research and Sanctuary Act of 1972, which governs the ocean dumping of dredged materials; the Rivers and Harbors Act, which governs navigable waterways; and the Clean Water Act, which governs discharges to surface waters. Enforcement agencies include the U.S. and California Environmental Protection Agencies and the U.S. Army Corps of Engineers, which rely on consultation and advice from various federal resource agencies.

The Harbor Department also is required to conform to provisions of a number of other State environmental laws, including the Hazardous Waste Control Act, which governs hazardous waste treatment and disposal, and the Porter-Cologne Act, which governs surface and ground water quality. State enforcement agencies include the Department of Toxic Substances Control, the State Water Resources Control Board and the local Regional Water Quality Control Board. The California Air Resources Board (“CARB”) and the regional Air Quality Management District administer the federal Clean Air Act.

Additional environmental laws and regulations may be enacted and adopted, and/or court cases decided, in the future that could be applicable to the Harbor Department and the Port. See “Air Pollution Reduction Programs (Clean Air Action Plan)” below. The Harbor Department is not able to predict what those laws, regulations and/or cases may provide or the costs to the Harbor Department to comply with such laws and regulations. Any additional environmental laws and regulations could significantly delay or limit the Harbor Department’s plans to construct and develop new revenue generating facilities at the Port. See “CAPITAL DEVELOPMENT PROGRAM.”

In conforming to these laws and their implementing regulations, the Harbor Department has instituted a number of compliance programs and procedures. Some of these are ongoing, including the sampling and analysis of harbor sediments to comply with dredging permit requirements; monitoring of water quality at

stormwater outfalls; and oversight of the Harbor Department and tenant housekeeping practices. Other compliance activities are carried out on an intermittent basis as necessary. These include disposal of contaminated soil excavated from construction sites, surveys of Harbor Department-owned buildings for asbestos, and associated remedial actions, other hazardous substances site cleanup related to spills, release and illegal disposal of materials and substances on Port property by third parties, and monitoring and reporting pursuant to construction permits related to air and water quality.

The Harbor Department's agreements with its tenants require the tenants to take the responsibility for financing the cost associated with cleaning up spills of fuels, oils and other hazardous substances.

Hazardous Materials/Waste Management. The Harbor Department administers a number of hazardous materials and waste management programs designed to ensure compliance with applicable federal, State, and local regulations. These programs include surveys to identify the presence of hazardous materials, including asbestos and lead-based paint; assessment and remediation investigations for the cleanup of soil and groundwater contaminated by the long history of industrial development within the Harbor District; and hazardous material spill response. The Harbor Department has adopted a number of permit-required contingency plans regarding potential spills of fuel, oil and other hazardous substances, associated with Port operations. The Harbor Department's agreements with its tenants require the tenants to pay costs associated with cleaning up spills of fuels, oils and other hazardous substances, associated with their operations at terminals

CEQA Document Preparation Process.

General. As the "Lead Agency" under CEQA, the Harbor Department completes CEQA determinations and documentation for all CEQA-regulated projects within the Harbor District. The Harbor Department's CEQA process includes, among other elements, (a) the establishment of a documents preparation protocol for the project description and all key analyses and (b) the establishment of a quality assurance review team, consisting of outside experts in various specialties, that will monitor the process of preparing environmental impact reports ("EIR") and environmental impact statements ("EIS") prepared by federal agencies under the National Environmental Policy Act ("NEPA") and make technical, regulatory and other recommendations. The Harbor Department's CEQA process helps ensure compliance with CEQA requirements and reduce the potential for disagreement and challenges from federal, State and local agencies and environmental groups.

Current CEQA Projects. The Harbor Department and the U.S. Army Corps of Engineers have prepared a joint draft Integrated Feasibility Report and EIS/EIR for the Port of Long Beach Deep Draft Navigation Feasibility Study and Channel Deepening Project. The U.S. Army Corps of Engineers is the lead agency for environmental review under NEPA, while the Harbor Department is the lead agency under CEQA. The Integrated Feasibility Report and EIR/EIS identifies and evaluates proposed improvements to existing navigation channels within the Port of Long Beach to improve conditions for current and future container and liquid bulk vessel operations and safety. The draft EIS/EIR will be released for public review in the fall of 2019.

The Harbor Department is currently in the process of updating the Port Master Plan in accordance with the California Coastal Act, which includes a corresponding programmatic EIR ("PEIR"). The draft Port Master Plan Update was released for public review in July 2019 and is expected to be completed in early 2020.

Past CEQA Projects. On May 13, 2009, the Middle Harbor Terminal Redevelopment Program EIR/EIS was certified by the Board. On August 9, 2010, the Board certified the Final EIR for the Gerald Desmond Bridge Replacement Project (the "Gerald Desmond Bridge EIR"), and on September 23, 2010, Caltrans issued a Finding of No Significant Impacts with respect to the Gerald Desmond Bridge Replacement Project (the "Gerald Desmond Bridge FONSI"). Subsequent to August 9, 2010, the Board approved certain addenda to the Gerald Desmond Bridge EIR, which were reviewed by Caltrans and, in each case, Caltrans determined that the Gerald Desmond Bridge FONSI remained valid. In October 2013, an EIR/EIS with respect to development of Pier S for navigational improvements to the Back Channel and the Cerritos Channel and a shore realignment at Pier S was approved by the Board.

On December 15, 2016, the Harbor Department released a Draft EIR and an Application Summary Report for the Pier B On-Dock Rail Support Facility Project for public review. The proposed project would provide for additional railcar storage and staging capacity, including additional rail tracks for locomotive fueling, railcar repair and to accommodate assembly of cargo trains up to 10,000 feet long. The public comment period for the Draft EIR closed on March 13, 2017. The Board certified the final EIR for the Pier B On-Dock Rail Support Facility Project on January 22, 2018.

Air Pollution Reduction Programs (Clean Air Action Plan). In 2006, the Harbor Department, together with the Port of Los Angeles, developed the San Pedro Bay Ports Clean Air Action Plan (the “Ports Clean Air Action Plan”) with input from the EPA, CARB, and the South Coast Air Quality Management District (“SCAQMD”). The Ports Clean Air Action Plan was updated and reauthorized in 2010 and again in 2017. The Ports Clean Air Action Plan is the Harbor Department’s long- term comprehensive plan to address air pollution emissions from Port-related sources. The Ports Clean Air Action Plan addresses the five primary categories of Port-related emission sources (ships, trucks, trains, cargo handling equipment and harbor craft), and outlines specific, detailed strategies to reduce emissions from each category. Through implementation of the Ports Clean Air Action Plan, since 2005, there has been an 87% reduction in diesel particulate matter, a 97% reduction in sulfur oxides and a 56% reduction in nitrogen oxides emissions from Port-related sources. The 2017 update to the Ports Clean Air Action Plan includes several updates, including goals of achieving zero emission cargo handling equipment by 2030 and zero emission drayage truck fleets by 2035. The Ports Clean Air Action Plan has and will require a significant investment by the Harbor Department, the Port of Los Angeles and private sector businesses and will expedite the introduction of new and innovative methods of reducing emissions prior to any federal or State requirements being imposed on the San Pedro Bay Ports. See “2016 AQMP Indirect Source Rule” below.

Pursuant to the Ports Clean Air Action Plan, the Harbor Department has undertaken several programs to lower air pollution levels at the Port, including, but not limited to: (a) an incentive-based program that encourages vessels entering the San Pedro Bay Ports to lower their speeds (faster speeds produce higher emissions) (the “Green Flag Incentive Program”); (b) an incentive-based program to encourage vessel operators to deploy their lowest pollution-emitting ships to San Pedro Bay Ports (the “Green Ship Incentive Program”); (c) accelerated replacement of cargo handling equipment with equipment that produces near-zero or zero emissions; (d) use of shore-side electrical power for ships calling at the Port (also known as “cold ironing”); (e) a Technology Advancement Program which seeks to accelerate the verification or commercial availability of new, clean technologies, through evaluation and demonstration in port operations; (f) replacement of the entire fleet of 16 switcher locomotives operated by Pacific Harbor Line with less polluting locomotives and the purchase of six generator set locomotives which meet the cleanest engine standards; and (g) the Clean Trucks Program, which requires progressively cleaner engine standards for trucks operating at the Port with a goal of having a zero emission drayage truck fleet by 2035 (see “Clean Trucks Program” below for additional information).

Green Flag Incentive Program. The Green Flag Incentive Program was approved by the Board in 2005 to boost compliance with the voluntary vessel speed reduction program, which was then around 60%. The Green Flag Incentive Program provides financial incentives and recognition to the Port’s vessel operators who consistently participate in a voluntary speed-reduction program designed to reduce air pollution.

Under the original Green Flag Incentive Program, ocean vessels that observed a 12-knot speed limit within 20 nautical miles of the Port during an entire year of voyages to and from the Port were awarded a Green Flag environmental achievement award to recognize their contributions to improved air quality. The ocean carriers who operated the individual ships qualified for a dockage rate reduction of 15% during the following 12 months if 90% of their vessels complied with the 12-knot speed limit for the previous year. In 2009, the program was expanded to 40 nautical miles offshore. Ships observing the speed limit 40 nautical miles offshore qualify for a dockage rate reduction of 25%.

For Fiscal Year 2019, the Green Flag Incentive Program had participation rates of 97.7% and 92.8% for 20 nautical miles and 40 nautical miles, respectively. In 2016 (the latest information available), air pollution reductions included avoided emissions of approximately 1,224 tons of smog-forming nitrogen oxides, approximately 25 tons of diesel particulate matter and approximately 53,135 tons of carbon dioxide, a greenhouse gas pollutant. In Fiscal Year 2019, the Harbor Department provided discounts to qualified participants in the Green Flag Incentive Program of approximately \$3.1 million. The Harbor Department estimates that it will provide approximately \$3.1 million of discounts to qualified participants in the Green Flag Incentive Program in Fiscal Year 2020.

Green Ship Incentive Program. The Green Ship Incentive Program is a voluntary clean-air initiative targeting the reduction of smog-causing nitrogen oxides (NOx). It rewards qualifying vessel operators for deploying today's greenest ships to the Port and accelerating the use of tomorrow's greenest ships. Vessels with main engines meeting 2011 Tier 2 standards established by the International Maritime Organization will be eligible for an incentive of \$2,500 per ship call. For vessels meeting the 2016 Tier 3 standards, the incentive will increase to \$6,000 per ship call. Tier 2 engines reduce NOx emissions by 15%, and Tier 3 engines reduce NOx emissions by 80%. In Fiscal Year 2019, approximately 54.9% (unaudited) of the vessel calls at the Port were eligible for the Green Ship Incentive Program and the Harbor Department provided approximately \$1.2 million (unaudited) in incentive payments.

Shore-Side Electrical Power. Exhaust emissions from auxiliary engines operated by vessels while at berth represent a significant source of air pollution at the Port. A docked cargo ship operates auxiliary engines to power onboard operations which emits several types of air contaminants. The Harbor Department has installed shore-side electric power at all of the container terminals at the Port, so that vessels can plug-in and use electric power, rather than using internal combustion power (diesel), to power ships while at berth. When shore-side electricity is provided to the vessel, the auxiliary engines can be turned off. Shore-side electrical power will significantly reduce diesel emissions, the major source of air pollution, from large ships while at berth. In November 2007, the Port's first shore-side electrical powered container berth was commissioned at the International Transportation Service terminal on Pier G. In June 2009, the world's first shore-side electrical powered tanker berth was commissioned at the BP terminal on Pier T. In addition, bulk vessels have been using shore-side electrical power at the Mitsubishi Cement terminal on Pier F since 2007. All remaining container terminal berths were equipped with shore-side electrical power by the end of Fiscal Year 2016. The Harbor Department incurred approximately \$136.3 million of costs in connection with equipping facilities at the Port with shore-side electrical power.

In December 2007, the CARB approved the "Airborne Toxic Control Measure for Auxiliary Diesel Engines Operated on Ocean-Going Vessels At-Berth in a California Port" regulation, commonly referred to as the "At-Berth Regulation." The purpose of the At-Berth Regulation is to reduce emissions from diesel auxiliary engines on container ships, passenger ships, and refrigerated-cargo ships while berthing at a California Port. The At-Berth Regulation defines a California Port as any of the Ports of Los Angeles, Long Beach, Oakland, San Diego, San Francisco, and Hueneme. The At-Berth Regulation provides vessel fleet operators visiting these ports two options to reduce at-berth emissions from auxiliary engines: (1) turn off auxiliary engines and connect the vessel to some other source of power, most likely shore-side electrical power; or (2) use alternative control technique(s) that achieve equivalent emission reductions. Starting in 2014, at least 50% of a fleet's visits to the Port were required to use one of these two options to reduce emissions. The percentage of fleet visits required to use one of these two options increased to 70% in 2017, and will increase to 80% starting in 2020. The Harbor Department expects most vessels using Port facilities to use shore-side electrical power in order to comply with the At-Berth Regulation.

CARB is currently considering updates to the At-Berth Regulation, which may include increased compliance requirements for the regulated fleet, and phased-in requirements for use of shorepower or alternatives for auto carriers and tankers. The timing of final adoption of the amendments to the regulation is anticipated in 2020.

Clean Trucks Program. Another program the Harbor Department has undertaken in an effort to lower air pollution levels at the Port is the Clean Trucks Program (the “CTP”). The CTP instituted a series of progressive bans adopted by the San Pedro Bay Ports designed to gradually restrict older, more polluting trucks from operating at the marine terminals at the San Pedro Bay Ports until eventually all trucks operating at San Pedro Bay Port terminals would be required to meet the EPA’s 2007 On-Road Heavy Duty emissions standards. The CTP targets emissions from heavy duty trucks that move cargo in and out of the marine terminals at the Port. The CTP successfully reduced air emissions and health risks by modernizing the Port’s trucking fleet. As a result of continued modernization of the truck fleet, currently about half have been upgraded to meet the even cleaner EPA 2010 on-road heavy duty emissions standards. In the 2017 update to the Ports Clean Air Action Plan, the Harbor Department set goals to advancing the CTP to phase out older trucks and transition to near-zero emissions in the near-term and zero-emission trucks by 2035. The first phase of the Clean Trucks Program update requires any new truck registered in the Port Drayage Register after October 1, 2018, to be model year 2014 or newer. The Clean Air Action Plan calls for imposing a Clean Truck Fund Rate, and a rate study is currently underway. The Harbor Department has no remaining financial obligations under the original CTP, however the Harbor Department may in the future have additional responsibilities with respect to reducing truck emissions under the 2017 update to the Ports Clean Air Action Plan.

2016 AQMP Indirect Source Rule. In 2017, SCAQMD approved its 2016 Air Quality Management Plan (the “2016 AQMP”). The 2016 AQMP contains an “Indirect Source Rule” or “backstop rule” (also known as MOB-01) that would require the San Pedro Bay Ports to develop a strategy to reduce air emissions at the respective ports to levels still to be developed in accordance with the 2016 AQMP. The emission reduction levels could be more strict than what is already set forth in the Ports Clean Air Action Plan. In March 2017, CARB adopted the 2016 AQMP as part of its amendments to the State Implementation Plan pursuant to the Clean Air Act. The amended State Implementation Plan has been submitted to the EPA for review and approval, which review and approval could take up to 18 months. In May 2018, the SCAQMD’s Board decided to postpone any action on development of an Indirect Source Rule for the San Pedro Bay Ports, to allow time for 2017 updates to the Ports Clean Air Action Plan to be implemented. However, SCAQMD has proposed to enter into a Memorandum of Understanding (the “MOU”) with the San Pedro Bay Ports related to implementation of the 2017 updates to the Ports Clean Air Action Plan and may choose to proceed with development of an Indirect Source Rule at a later date if it determines that adequate progress has not been made related to emission reductions for the region. Negotiations with AQMD on the MOU are ongoing; the final MOU is expected to go to each Board of the San Pedro Bay Ports in early 2020, one month prior to AQMD Board consideration.

The Harbor Department does not believe SCAQMD or CARB have the authority to impose rules or regulations on the San Pedro Bay Ports that would require the Ports to regulate emissions from shipping companies, terminal operators, the railroads or the trucking companies because (i) the San Pedro Bay Ports are not regulators and do not have regulatory authority, and (ii) those industries are regulated under international treaties and federal and state laws and thus enjoy various levels of preemption. As of the date of this Official Statement, the Harbor Department cannot predict what final rules and regulations may result from the 2016 AQMP and the State Implementation Plan, the results of any legal challenges to such rules and regulations, or the costs of such rules and regulations, if enforceable against the San Pedro Bay Ports and their respective tenants

Water Quality Improvement. The Harbor Department faces water quality issues that include not only stormwater runoff from Port lands, but also the on-water activities of industrial harbors, legacy sediment contamination, and inputs from intensely developed urban watersheds upstream. Recognizing the advantages of addressing these issues on a port-wide basis, in 2009, the Harbor Department and the Port of Los Angeles worked cooperatively with regulatory agencies and the public to develop a Water Resources Action Plan (the “WRAP”). The WRAP is a joint plan for managing water and sediment quality at the San Pedro Bay Ports. The WRAP identifies the key issues in the port complex; identifies control measures to address those issues; and assembles existing, as well as proposed, water and sediment programs into those measures. The WRAP describes the implementation tools available to the San Pedro Bay Ports (lease and tariff provisions, incentives, and port-sponsored initiatives) and establishes a schedule for implementing the control measures. A key aspect of the WRAP is its dynamic nature: the WRAP is revisited periodically to add detail and to add or modify

measures where appropriate. The control measures described in the WRAP consist largely of plan formulation and the expansion and reorganization of activities that the San Pedro Bay Ports are already engaged in. Accordingly, the cost of implementing the control measures will consist predominately of staff and consultant time. Several of the control measures set forth in the WRAP will likely involve capital costs at the implementation phase. Costs of the WRAP will be paid with Harbor Department revenues, federal, state and local grant funding and other sources of funds. The Board does not expect these costs to be material to the Harbor Department.

In March 2012, the Los Angeles and Long Beach Harbors Toxic and Metals Total Maximum Daily Load (the “TMDL”) was adopted by the State of California Water Resources Control Board. The Harbor Department has begun to implement the requirements of the TMDL, mainly by implementing the programs identified in the WRAP. Additionally the Harbor Department has established a technical working group with the Port of Los Angeles, the Los Angeles Regional Water Quality Control Board and the State Water Resources Control Board, to conduct the special studies and analysis required to make sound environmental management decisions and support modifications to the TMDL, which is scheduled to be reconsidered in 2020. The Harbor Department expects to spend approximately \$150,000 in 2020 for activities associated with the TMDL reconsideration.

Additionally, the City developed a Watershed Management Program (the “WMP”) in coordination with the Harbor Department to address the Harbor watershed as well as other near shore watersheds in the City. The WMP is required to comply with the City’s Municipal Stormwater National Pollutant Discharge Elimination System Permit. The WMP is intended to ensure that the Port and the City will achieve all established water quality standards.

Port Energy Planning. As described above, the Harbor Department’s aggressive air-emission reduction programs have resulted in significant improvements in air quality since the Green Port Policy was adopted in 2005. As the Harbor Department moves toward a zero-emission goal, its reliance on electrical power has dramatically increased. On-terminal electricity usage is predicted to quadruple by 2030, compared with a 2005 base year. At the same time, the electrical grid which is maintained by a local utility company is aging and the region experiences power outages. The Harbor Department is currently developing an energy program that seeks to provide energy reliability, resiliency and economic competitiveness to its own operations and those of its tenants.

This long term strategy is designed to assist the region in attracting new businesses, promoting job growth, advanced technologies and customer retention, and to provide reliable assets that can be used in the event of natural or man-made disasters. The Harbor Department expects to spend approximately \$5 million in calendar year 2020, to evaluate the feasibility of various energy strategies, as well as to support appropriate emerging energy technologies. The Harbor Department anticipates that these costs will be partially financed with various grants.

CAPITAL DEVELOPMENT PROGRAM

Master Plan; Long-Term Land Use Study

Master Plan. On October 17, 1978 the California Coastal Commission (the “CCC”) certified the Port Master Plan as being in conformance with the policies of Chapters 8 and 3 of the California Coastal Act. The Port Master Plan has been amended on numerous occasions since 1978. All amendments to the Port Master Plan that required the approval of CCC were approved by CCC. The purpose of the Port Master Plan is to provide the Harbor Department with a planning tool to guide future Port development and to ensure that projects and developments in the Harbor District are consistent with the requirements of the California Coastal Act. The Port Master Plan identifies proposed uses of land and water areas within the Harbor District and establishes a flexible framework allowing for development of the Port and is updated periodically.

The Harbor Department is currently in the process of reviewing and updating the Port Master Plan. The update process is guided by the California Coastal Act and involves evaluation of land use and water use designations, reconfiguration of planning districts, and identification of anticipated projects. In addition, the update will incorporate previously certified Port Master Plan amendments and update the overall goals and policies for long-range development. The update to the Port Master Plan is needed to consider changes in the global shipping industry, technological advances, and important factors such as climate change and energy resources consistent with Harbor Department's "Green Port Policy" objectives. The update also will revise the guidelines for public access to the waterfront by reviewing the vision for development of future recreation areas and facilities. The Harbor Department anticipates certification of the update to the Port Master Plan by CCC in 2020.

In June 2017, the Harbor Department selected Leidos, Inc. to provide assistance with updating the Port Master Plan, evaluating the environmental impacts of proposed development and land uses and Port Master Plan approval by the Board and the CCC.

2019-28 Capital Plan

In addition to the Port Master Plan, the Harbor Department maintains a 10-year capital plan which sets forth the specific projects the Harbor Department expects to develop and construct over the next ten years. The 2019-28 Capital Plan is the Harbor Department's current 10-year capital plan. The 2019-28 Capital Plan includes, but is not limited to, the following capital projects and improvements: the Gerald Desmond Bridge Replacement Project, the expansion and modernization of the shipping terminals on Piers D, E, F and G, the expansion of on-dock rail facilities and the supporting rail network serving the terminals, the construction of two fireboat stations, the installation of various security improvements, and various other infrastructure projects at the Port (including street, storm drain, sewer and water systems projects). As of the date of this Official Statement, the 2019-28 Capital Plan has an aggregate estimated cost of approximately \$2.3 billion (including the approximately \$235 million Port Headquarters Building completed in Fiscal Year 2019). The Harbor Department expects to finance the costs of the 2019-28 Capital Plan with the following sources: (i) \$145 million of proceeds of the Series 2020C Senior Notes or the Additional Subordinate TIFIA Loan, if received; (ii) \$1.585 billion of revenues of the Harbor Department; (iii) \$305 million of proceeds of existing Senior Bonds; and (iv) \$265 million of federal and State grants and other sources of funds. See "—Funding Sources of 2019-28 Capital Plan." See also "THE PORT OF LONG BEACH—Environmental Compliance."

Many of the improvements to the marine terminals set forth in the Port Master Plan and the 2019-28 Capital Plan, include, but are not limited to, longer wharves, deeper berths, larger storage areas necessary to accommodate the docking and loading/unloading requirements of the current and future container cargo ships. Currently, the largest container cargo ships have the capacity to carry upwards of 21,000 TEUs.

Following is a brief description of some of the major projects included in the 2019-28 Capital Plan:

Middle Harbor Terminal Redevelopment Program (Piers D, E and F). The Middle Harbor Terminal Redevelopment Program is an approximately \$1.49 billion modernization of the container terminals on Piers D, E and F. The program will consolidate the Pier E terminal, and portions of the Pier F and Pier D terminals by filling slips and turning basins between them creating a contiguous, modern, 311-acre container terminal. Construction of this terminal includes new gates; buildings; wharf structures; rail-mounted gantry cranes; container and intermodal rail yards; landfill; paving and striping; and utility infrastructure. The program adds on-dock rail capacity, shore-side electrical power, battery charging stations for electric automated guided vehicles to transport containers between the container yard and wharf, electric rail-mounted gantry cranes to operate the container yard and intermodal rail yard, and deeper berths to accommodate the newest container ships. The project's final phase, with a budget of \$467 million, is underway and is scheduled to be completed in late-2020. When completed, the Middle Harbor Terminal is expected to be able to move up to an estimated 3.3 million TEU's annually, twice the amount of cargo that was moved through the old facilities. See "THE PORT OF LONG BEACH—Current Port Facilities—Container Terminals—Middle Harbor Terminal" for

information about the preferential assignment agreement the Harbor Department entered into with OOCL for the Middle Harbor Terminal.

Rail Program. A major transportation element of the 2019-28 Capital Plan is to move more cargo by rail. The Port has a significant railroad infrastructure improvement program that includes four rail-related projects with an approximate total cost of over \$1 billion. These rail-related projects are located adjacent to, but outside of, the marine terminal lease boundaries. The location and design of these rail-related projects are intended to support a significant increase in the amount of cargo moved by on-dock rail. The largest project within the Rail Program is the Pier B On-Dock Rail Support Facility. The Pier B On-Dock Rail Support Facility, which is currently underway, is expected to be complete in 2032. Right-of-way acquisition, utility relocations, street re-alignment and traffic improvements are significant work elements that will be undertaken prior to a phased railyard expansion. The expansion will increase on-dock rail activity at the container terminals by providing a staging yard for on-dock rail operations. This staging yard will (1) allow longer, 10,000-ft trains to be operated consistently from each container terminal without congesting main line operations; (2) improve utilization at each on-dock railyard by shifting train arrival and departure activities, locomotive fueling, and potentially railcar maintenance work to the Pier B yard; (3) act as a central classification yard where the railroads could assemble railcars from different container terminals into a single train; (4) provide space where each on-dock terminal could stage railcars until the on-dock terminal is ready to load and unload them; and (5) convert certain truck trips to rail trips between the Port and shippers in California, Arizona and Nevada. This project would increase the rail modal share of cargo activity in the harbor, with a corresponding reduction in modal share moving to and from the Port by truck.

Another important rail improvement project within the Rail Program is the Pier G Terminal Double Track Access Project. This project will add a second lead track serving both the Pier G Terminal and the Pier J Terminal, together with construction of additional storage tracks on the Pier G Terminal. This project will increase rail access and efficiencies to terminals at Piers E, F, G, and J. The total cost is expected to be approximately \$28 million. The California Transportation Commission selected this project for \$14 million in National Highway Freight Program federal funds authorized by block grant to California. Construction is scheduled to begin in January 2020.

Gerald Desmond Bridge Replacement Project. The Gerald Desmond Bridge Replacement Project consists of replacing the existing four-lane Gerald Desmond Bridge, which spans the Port's Main Channel, with a new six-lane bridge and higher clearance. Currently, the Gerald Desmond Bridge is only two lanes in each direction with no shoulders and is too low to accommodate passage of the largest ships. The Gerald Desmond Bridge is a vital link in the goods movement infrastructure for the San Pedro Bay Ports because it connects to 710 Freeway, which is the primary access route for the San Pedro Bay Ports and carries approximately 15% of all U.S. port-related container traffic. The new bridge will provide improved traffic flow, emergency lanes on both the inner and outer shoulders in each direction to reduce traffic delays and safety hazards from accidents and vehicle breakdowns, a 205-foot vertical clearance to accommodate taller vessels, a reduction in the bridge's steep grades, and a bicycle/pedestrian path with scenic overlooks. Additional improvements include reconstruction of the Terminal Island East Interchange and a new interchange with the 710 Freeway.

As of the date of this Official Statement, the Gerald Desmond Bridge Replacement Project is budgeted to cost approximately \$1.561 billion and is a joint effort between the California Department of Transportation ("Caltrans") and the Harbor Department. In September 2018, the Harbor Department, Caltrans and the Federal Highway Administration undertook a comprehensive review of the projected final cost of the Gerald Desmond Bridge Replacement Project. The current budget includes additional capitalized interest and certain additional Caltrans costs.

Funding for the Gerald Desmond Bridge Replacement Project is expected to come from numerous sources, including Federal, State, and Local grants (\$913 million), and other Harbor Department funds (\$648 million, including the \$325 million 2014 Subordinate TIFIA Loan, and \$145 million of proceeds of the Series 2020C Senior Notes or the Additional Subordinate TIFIA Loan, if received). The Harbor Department

expects to draw, if ever, the proceeds of the 2014 Subordinate TIFIA Loan or the Additional Subordinate TIFIA Loan, if received, no later than [_____] 2021, which is one year after substantial completion of the Gerald Desmond Bridge Replacement Project (currently projected to be by [June 2020]). See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations)—2014 Subordinate TIFIA Loan.”

The City, acting by and through the Board, entered into (a) a contract with Parsons Brinkerhoff Inc. to provide program management and construction management services, and (b) a lump-sum design-build contract with Shimmick Construction Company, Inc./FCC Construcción S.A./Impregilo S.p.A., a joint venture (each a “Design Builder” and collectively, the “Design Builders”), with respect to the Gerald Desmond Bridge Replacement Project. Construction of the new bridge began in 2013 and was originally expected to be completed by the end of 2016. Due to complexities of the site and design, in 2014, the Harbor Department revised the schedule for the Gerald Desmond Bridge Replacement Project, which included changing the date of substantial completion of the bridge (i.e. when the bridge is open to all traffic) to June 2018. However, as of August 2019, the latest schedule provided by the contractors of the bridge showed a date of substantial completion of [June 2020]. The Harbor Department and the contractors are currently working together to mitigate any additional schedule delays. As of the date of this Official Statement, the Harbor Department cannot predict if substantial completion of the bridge will occur as forecast by the contractor or if additional delays will occur. See “CERTAIN INVESTMENT CONSIDERATIONS—Factors Affecting 2019-28 Capital Plan” and “—Risks Related to the Disbursement of 2014 Subordinate TIFIA Loan and Additional Subordinate TIFIA Loan and Gerald Desmond Bridge Replacement Project—Market Access Required if 2014 Subordinate TIFIA Loan Proceeds are not Disbursed” and “—Market Access Required if Additional Subordinate TIFIA Loan Proceeds are not Disbursed.” Following completion of the new bridge, the old bridge will be demolished and removed.

Upon completion of the new Gerald Desmond Bridge, ownership of the bridge will be transferred to Caltrans. However, the Harbor Department has agreed to pay Caltrans all operation and maintenance costs with respect to the new bridge for a 30-year period commencing on the date ownership of the bridge is transferred to Caltrans.

Fire Safety Projects. The fire safety projects include the construction of two new fireboat stations: Stations No. 15 and No. 20. These stations will house the Port’s two new state-of-the-art fire boats: Vigilance and Protector. In addition, these stations will enable our Fire Department to improve their fire safety capabilities and response times to meet the needs of the changing marine environment of larger vessels and denser terminal operations. The two proposed fireboat stations would replace one older station and one temporary facility. Construction of one new fireboat station is expected to be complete by the end of 2020 and the second station is expected to be completed in mid-2022.

Infrastructure Capital Improvement Programs. The Harbor Department owns and maintains infrastructure outside of operating terminals including roadways, water distribution system, sanitary sewer system, storm drain system, electrical distribution system, wharf structures and rock dikes and other assets. To manage the infrastructure condition efficiently, the Harbor Department has developed a plan for roadway, bike and pedestrian paths and wet utilities improvements, including water, sanitary sewer and storm drain, with an approximate cost of \$294 million over the next ten years. To proactively monitor and manage infrastructure conditions throughout the Port, the Harbor Department intends to update the plan periodically.

Funding Sources of 2019-28 Capital Plan

The Harbor Department plans to finance the 2019-28 Capital Plan with the following sources of funding:

TABLE 9
Harbor Department of the City of Long Beach
Funding Sources of 2019-28 Capital Plan
(\$000's)

<u>Funding Source</u>	<u>Amount</u>
Series 2020C Notes/Additional Subordinate	
TIFIA Loan (if received)	\$ 145,000
Harbor Department Revenues	1,585,000
Proceeds from Existing Senior Bonds	305,000
Federal and State Grants	265,000
Total	<u>\$2,300,000¹</u>

¹¹ Includes the approximately \$235 million Port Headquarters Building completed in Fiscal Year 2019.
Source: Harbor Department.

In the event any of the expected federal or State grants are not received by the Harbor Department, the Harbor Department will need to obtain alternative sources of funding. See also “CERTAIN INVESTMENT CONSIDERATIONS—Unavailability of, or Delays in, Anticipated Funding Sources.”

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FINANCIAL DATA

The following table presents the Harbor Department's Statements of Revenues, Expenses and Changes in Net Position for Fiscal Years 2015-2019 (unaudited).

TABLE 10
Harbor Department of the City of Long Beach
Comparative Summary of Statements of Revenues, Expenses and Changes of Net Position
Fiscal Years Ended September 30, 2015-2019 (unaudited)
(\$000's)

	2015	2016	2017	2018	2019 ²
Port Operating Revenues:					
Berths and Special Facilities	\$343,134	\$348,171	\$364,486	\$384,376	\$393,796
Rental Properties	9,881	9,958	13,732	14,279	15,668
Miscellaneous	2,435	2,531	2,792	3,023	2,809
Total Port Operating Revenues	<u>\$355,450</u>	<u>\$360,660</u>	<u>\$381,010</u>	<u>\$401,678</u>	<u>\$412,273</u>
Port Operating Expenses:					
Operating/Administrative	\$133,771	\$143,873	\$142,641	\$139,259	\$131,386
Depreciation/Amortization	137,709	146,721	148,445	147,224	144,716
Total Port Operating Expenses	<u>\$271,480</u>	<u>\$290,594</u>	<u>\$291,086</u>	<u>\$286,482</u>	<u>\$276,102</u>
Income from Port Operations	<u>\$83,970</u>	<u>\$70,066</u>	<u>\$89,924</u>	<u>\$115,196</u>	<u>\$136,171</u>
Non-Operating Revenues (Expense):					
Income from Equity in Joint Ventures, Net	2,811	2,544	2,162	2,001	2,596
Interest Expense, Net of Interest Capitalized	(878)	(13,244)	(5,883)	(14,536)	(13,513)
Interest Income	4,036	4,637	1,706	4,808	17,965
Other Income (Expense), Net	37,539	(4,469)	4,577	133	(16,060)
Total Non Operating Revenues (Expenses)	<u>\$43,508</u>	<u>\$(10,532)</u>	<u>\$2,562</u>	<u>\$(7,594)</u>	<u>\$(9,013)</u>
Income Before Transfers and Grants	<u>\$127,478</u>	<u>\$59,533</u>	<u>\$92,486</u>	<u>\$107,602</u>	<u>\$127,158</u>
Net Operating Transfers	\$(17,772)	\$(18,693)	\$(19,448)	\$(20,084)	\$(20,614)
Grants	121,008 ¹	128,282 ¹	73,072 ¹	67,511 ¹	68,682
Contributions to/from Others	-	4,008	-	-	-
Change in Net Position	<u>\$230,713</u>	<u>\$173,130</u>	<u>\$146,110</u>	<u>\$155,029</u>	<u>\$175,227</u>
Total Net Position (beginning of fiscal year)	\$3,462,209	\$3,609,819	\$3,780,027	\$3,926,137	\$4,081,166
Adjustment for GASB 68 Implementation ³	(83,104)	-	-	-	-
Adjustment for GASB 75 Implementation ³	-	(2,922)	-	-	-
Total Adjusted Net Position (beginning of fiscal year)	<u>\$3,379,105</u>	<u>\$3,606,897</u>	<u>\$3,780,027</u>	<u>\$3,926,137</u>	<u>\$4,081,166</u>
Total Net Position (end of fiscal year)	<u>\$3,609,818</u>	<u>\$3,780,027</u>	<u>\$3,926,137</u>	<u>\$4,081,166</u>	<u>\$4,256,392</u>

¹ In Fiscal Years 2015, 2016, 2017, 2018 and 2019, the Harbor Department received \$97 million, \$96 million, \$66 million, \$59 million and \$57 million, respectively, of federal and state grants in connection with the Gerald Desmond Bridge Replacement Project.

² Unaudited.

³ Certain Governmental Accounting Board Standards Board statements, affecting accounting and financial reporting requirements, were implemented thereby affecting the manner in which the Harbor Department reports its financial information.

Source: The Harbor Department's audited financial statements for Fiscal Years 2015-2018 and the Harbor Department's unaudited financial statements for Fiscal Year 2019.

Fiscal Year 2019 Results (Unaudited). Fiscal Year 2019 operating revenues were \$412 million (unaudited), an increase of 2.6% (unaudited) from Fiscal Year 2018. The revenue categories of containerized cargo and dry bulk (the Harbor Department's highest revenue producing cargo categories) increased 0.1%

(unaudited) and 0.6% (unaudited), respectively, in Fiscal Year 2019. The revenue category of petroleum/liquid bulk increased 37.1% (unaudited) in Fiscal Year 2019 and the revenue category of general cargo increased 13.5% (unaudited) in Fiscal Year 2019. Cargo volume for Fiscal Year 2019 was 172,960,462 MRTs (unaudited), a decrease of 4.2% (unaudited) from Fiscal Year 2018. Fiscal Year 2019 operating and administrative expenses were \$131.4 million (unaudited), a decrease of 5.7% (unaudited) from Fiscal Year 2018.

Financial Statements

The audited financial statements of the Harbor Department for the Fiscal Year ended September 30, 2018 (the “2018 Audited Financial Statements”) are included as Appendix A attached hereto. The 2018 Audited Financial Statements were audited by KPMG LLP, Los Angeles, California, independent certified public accountants, whose report with respect thereto also appears in Appendix A hereto. The Harbor Department has not requested, nor did the Harbor Department obtain, permission from KPMG LLP to include the 2018 Audited Financial Statements as an appendix to this Official Statement. KPMG LLP has not been engaged to perform and has not performed, since the date of its report included in Appendix A hereto, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

Accounting and Annual Budget

The City’s and the Harbor Department’s Fiscal Year begins on October 1 and ends on the subsequent September 30. All accounting functions for the Harbor Department are computerized. The Harbor Department’s practice of establishing separate operating accounts for each berth, special facility and leased property in the Port allows the Harbor Department to determine the relative profitability of every individual Port installation at any time. All operating records of the Harbor Department are, as provided by the Charter, audited annually by the City Auditor of the City of Long Beach as well as by an independent certified public accountant. See “— Financial Statements” above.

An annual operating budget is developed by Harbor Department staff and is reviewed and approved by the Board. In accordance with the terms of the Charter, the Harbor Department’s budget is then submitted to the City Manager for inclusion in the City budget. The City Council must approve the City budget prior to the beginning of each Fiscal Year.

Retirement Programs

Pension Plan.

General. Salaries and benefits costs of the Harbor Department include funding of retirement benefits for employees of the Harbor Department who, as City employees, participate in the California Public Employees Retirement System (“CalPERS”). Retirement payments paid from Harbor Department revenues were \$6.5 million in Fiscal Year 2015, \$8.1 million in Fiscal Year 2016, \$9.1 million in Fiscal Year 2017, \$10.3 million in Fiscal Year 2018 and \$11.8 million (unaudited) in Fiscal Year 2019. The Harbor Department’s budgeted contribution for Fiscal Year 2020 is \$15.6 million based on the June 30, 2017 and June 30, 2018 CalPERS valuation reports. Payments to CalPERS constitute Maintenance Costs of the Harbor Department.

For a variety of reasons, including investment losses, the City has experienced significant unfunded liabilities, and retirement costs payable with respect to all City employees, including employees of the Harbor Department, have increased in recent years. The Harbor Department is allocated approximately 19.2% of the City’s total CalPERS liability. As of June 30, 2018, the City’s “Miscellaneous Plan” with CalPERS (in which the Harbor Department employees participate) had an unfunded liability (with respect to all participating City employees, including employees assigned to the General Fund, the Harbor Department, and other enterprise funds) of approximately \$650.3 million (market value basis), which resulted in a funding ratio of 75.8% (market value basis).

In December 2016, the CalPERS Board lowered the actuarial assumption relating to the investment rate of return to be phased in over three years: for the fiscal year ending June 30, 2018 the rate will be 7.375%; for the fiscal year ending June 30, 2019 the rate will be 7.25%; and for the fiscal year ending June 30, 2020 the rate will be 7.00%. This is projected to result in increases in the City's (and the Harbor Department's) required contributions to CalPERS, and such increases could be significant. See "Note 15 – Retirement Program" in "APPENDIX A—HARBOR DEPARTMENT OF THE CITY OF LONG BEACH AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018" for additional information about the pension plan.

Changes to Pension Reporting. On June 25, 2012, the Governmental Accounting Standards Board ("GASB") approved two new standards with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new standards are set forth in GASB Statements 67 and 68 and replaced GASB Statement 27 and most of GASB Statements 25 and 50. The changes impact the accounting treatment of pension plans in which state and local governments participate, including the City's pension plans. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (such unfunded liabilities were previously typically included as notes to the government's financial statements); (2) more components of full pension costs are shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates are required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities are required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns are recognized over a closed five-year smoothing period.

In addition, GASB Statement 68 states that, for pensions within the scope of the statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. While the new accounting standards change financial statement reporting requirements, they do not impact funding policies of the pension systems. The reporting requirements for pension plans took effect for the fiscal year beginning mid-2013 and the reporting requirements for government employers will take effect for the fiscal year beginning mid-2014. The audited financial statements of the Harbor Department for Fiscal Year 2018 reflect implementation of the new GASB requirements, and resulted in the recognition of a net pension liability of the Harbor Department of approximately \$111.0 million. See "Note 15 – Retirement Program" in "APPENDIX A—HARBOR DEPARTMENT OF THE CITY OF LONG BEACH AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018" for a discussion of the impact of GASB 68.

Other Post-Employment Benefits. In addition to required contributions for retirement benefits for employees, the City pays certain post-employment health care and other non-pension benefits ("OPEB") for such employees. The Harbor Department's OPEB expenses were approximately \$824,000 (unaudited) in Fiscal Year 2019, and are expected to increase in the future. See "Note 15 – Retirement Program" in "APPENDIX A—HARBOR DEPARTMENT OF THE CITY OF LONG BEACH AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018" for additional information about the post-retirement health care benefits provided to the employees of the Harbor Department).

Risk Management and Insurance

The Master Senior Resolution does not specify any minimum amount of insurance coverage. Instead, the Master Senior Resolution requires the Board to maintain insurance or qualified self-insurance on the Port as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to the Port. The Master Senior Resolution does not require the Board to carry insurance against losses due to seismic activity. The Harbor Department presently carries an all-risk property insurance program covering physical loss or damage by fire and other risks (excluding earthquake and flood) with a loss limit of \$1.427 billion, and a deductible of \$500,000 per occurrence. Coverage for property damage caused by foreign and domestic acts of terrorism also is included in the all-risk property insurance program. Excluded from the

terrorism coverage, among other things, is property damage caused by acts of terrorism arising directly or indirectly from nuclear detonation and reaction, nuclear radiation, radioactive contamination or chemical release or exposure of any kind. Coverage for property damage caused by foreign and domestic acts of terrorism is also subject to the federal Terrorism Risk Insurance Act, which limits the amount insurance providers are required to pay in the event of foreign and domestic acts of terrorism. See also “CERTAIN INVESTMENT CONSIDERATIONS—Security at the Port.”

The Harbor Department also carries a comprehensive excess liability insurance program in the amount of \$150 million, in excess of \$1 million of self-insurance carried by the Harbor Department, covering all of the Harbor Department’s operations, including acts of sabotage and domestic and foreign acts of terrorism. Primary policies for liability and physical damage are in force covering the Harbor Department’s fire and work boats and contractor type equipment. The Harbor Department has elected to self-insure the first \$1 million of its auto liability exposure.

There can be no assurance as to the ability of an insurer to fulfill its obligations under any insurance policy and no assurance can be given as to the adequacy of such insurance to fund necessary repair or replacement of the damaged property. When renewing its insurance policies the Harbor Department makes no guarantee as to the ability to continue receiving the existing coverage or deductible amounts.

Port tenants are required to carry commercial general liability insurance coverage, auto liability insurance coverage, workers compensation and insurance coverage as required by the Federal U.S. Long Shore and Harbor Workers Act. Pollution liability insurance coverage also is required where warranted by exposure. Liability insurance requirements include bodily injury and property damage liability, on the leased premises and to name the City, the Board and the officers and employees of the Harbor Department as additional insured parties. Risk of loss is also transferred from the Harbor Department through the use of insurance endorsements and indemnification provisions contained in the various lease documents.

To further mitigate the adverse effects of a business disruption, the Harbor Department has developed and implemented a business continuity plan. The plan responds to incidents that impact key facilities, personnel, systems, applications, and resources and is coordinated with key stakeholders and civil authorities.

Investment Policy

The Harbor Department’s cash and investments, including restricted cash and investments, are pooled with the other City funds and maintained by the City Treasurer, except for the cash and investments that are held by U.S. Bank National Association, as trustee pursuant to the Sixth Supplemental Senior Resolution. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES—Funds Held by Third Parties.” Interest income and gains and losses earned on pooled cash and investments are allocated monthly to the various pool participants based on their average daily cash balances. The Harbor Department is required by the Charter to participate in the City Treasurer’s pool.

The City maintains an Investment Policy, which, pursuant to the provisions of Section 53646 of the California Government Code, is annually submitted to and reviewed by the Investment Committee of the City and approved by the City Council. Quarterly reports are also provided to the City Manager, City Auditor, and the City Council which detail investment activity and portfolio balances. In addition, the Investment Advisory Committee, comprised of the Deputy City Attorney, the Assistant City Auditor, the City Treasurer, the Assistant City Treasurers, the City Controller, and the Director of Finance of the Harbor Department and the Director of Finance of the Water Department, or their designated representative meets quarterly, or as needed, with the City’s investment advisor to review investment policies and strategies and to make recommendations consistent with approved investment policies.

The goal of the Investment Policy is to invest public funds in a prudent manner, maintaining maximum security, meeting the daily cash flow demand of the City and conforming to all State and local statutes governing the investment of public funds. The objectives of the Investment Policy are, in the following order of priority:

(a) Safety: safety of principal is the foremost objective of the investment program, however risk is inherent throughout the investment process. The City’s investments shall be undertaken in a manner that seeks to maximize the preservation of capital in the overall portfolio and minimize the risk related to capital losses from institutional default, broker-dealer default, or erosion of market value.

(b) Liquidity: the City’s investment portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated.

(c) Yield: the City shall manage its funds to maximize the return on investments consistent with the two primary objectives of safety and liquidity. The investment goals are to maximize interest income through the prudent implementation of the Investment Policy and developed guidelines.

The City has established three benchmark measures for the pool funds portfolio: the three month U.S. Treasury Bill rate for the short maturity portfolio, the 1-year Constant Maturity Treasury index or equivalent index whose duration is equal to one year for the intermediate maturity portfolio, and the ICE BofA Merrill Lynch 1-5 year U.S. Treasury and Agency Index for the long maturity portfolio.

The City’s investment alternatives are specified in the California Government Code, Sections 53600 et seq. Within this framework, the Investment Policy specifies authorized investments, subject to certain limitations.

According to the City Treasurer’s quarterly investment report for the quarter ending September 30, 2019, the City’s invested funds totaled approximately \$[1.80] billion (of which approximately \$[624.15] million consisted of Harbor Department moneys). The City’s investment portfolio includes a variety of fixed income securities that vary in maturity from one day to five years. As of September 30, 2019, the City’s investment portfolio consisted of U.S. Treasury Notes ([44.43]%), U.S. Agency Notes ([38.38]%), the State of California Local Agency Investment Pool ([10.12]%), and certain other types of securities ([7.07]%).

A summary of the City Treasurer’s quarterly investment report for the quarter ending September 30, 2019, is set forth below:

TABLE 11
City of Long Beach
Invested Funds
(Quarter Ending September 30, 2019)

	Pooled Fund
Invested Market Balance	\$[1,806,344,752]
Portfolio Market Yield	[1.9578]%
Short-term Weighted Average Maturity	[0.14] years
Intermediate-term Weighted Average Maturity	[0.73] years
Long-term Weighted Average Maturity	[2.40] years

Source: The City.

CERTAIN INVESTMENT CONSIDERATIONS

The purchase and ownership of the Series 2020C Senior Notes involve investment risk and may not be suitable for all investors. Prospective purchasers of the Series 2020C Senior Notes are urged to read this Official Statement, including all Appendices, in its entirety. The factors set forth below, among others, may affect the security of the Series 2020C Senior Notes. However, the following does not purport to be an exhaustive listing of all considerations which may be relevant to investing in the Series 2020C Senior Notes. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such considerations.

Risks Related to the Disbursement of 2014 Subordinate TIFIA Loan and Additional Subordinate TIFIA Loan and Gerald Desmond Bridge Replacement Project

Disbursement of 2014 Subordinate TIFIA Loan. It is expected that the principal of the Series 2018A Senior Notes, or any obligations the Harbor Department that may be issued to refinance the Series 2018A Senior Notes, will be paid at maturity from the proceeds of a disbursement of the 2014 Subordinate TIFIA Loan. The proceeds of the 2014 Subordinate TIFIA Loan are expected to be drawn, if ever, no later than [_____] 2021, which is one year after substantial completion of the Gerald Desmond Bridge Replacement Project (currently projected to be by [June 2020]). Disbursement of the 2014 Subordinate TIFIA Loan is subject to several conditions precedent. In the event the conditions to disbursement of the 2014 Subordinate TIFIA Loan cannot be satisfied on or before the maturity date of the Series 2018A Senior Notes, the Harbor Department will be required to use an alternate method of repaying the Series 2018A Senior Notes, including the issuance of additional Senior Bonds and/or Subordinate Obligations. See “Market Access Required if 2014 Subordinate TIFIA Loan Proceeds are not Disbursed” below.

Disbursement of Additional Subordinate TIFIA Loan. It is expected that the principal of the Series 2020C Senior Notes will be paid at maturity in [_____] 2021 from the proceeds of a disbursement of the Additional Subordinate TIFIA Loan, if received. The proceeds of the Additional Subordinate TIFIA Loan, if received, are expected to be drawn, if ever, no later than [_____] 2021, which is one year after substantial completion of the Gerald Desmond Bridge Replacement Project (currently projected to be by [June 2020]). Disbursement of the Additional Subordinate TIFIA Loan will likely be subject to several conditions precedent. In the event the conditions to disbursement of the Additional Subordinate TIFIA Loan cannot be satisfied on or before the maturity date of the Series 2020C Senior Notes, the Harbor Department will be required to use an alternate method of repaying the Series 2020C Senior Notes, including the issuance of additional Senior Bonds and/or Subordinate Obligations. See “Market Access Required if 2014 Subordinate TIFIA Loan Proceeds or Additional Subordinate TIFIA Loan Proceeds are not Disbursed” below.

Completion of the Gerald Desmond Bridge Replacement Project. As described above under “Disbursement of 2014 Subordinate TIFIA Loan” and “Disbursement of Additional Subordinate TIFIA Loan,” substantial completion of the Gerald Desmond Bridge Replacement Project must occur prior to the 2014 Subordinate TIFIA Lender disbursing proceeds under the 2014 Subordinate TIFIA Loan and the Additional Subordinate TIFIA Loan, if received. Under the 2014 Subordinate TIFIA Loan Agreement, substantial completion of the Gerald Desmond Bridge Replacement Project is generally defined as the opening of the new bridge to vehicular traffic.

Completion of the construction of the Gerald Desmond Bridge Replacement Project within budget and on schedule may be adversely affected by various factors including: (a) estimating errors; (b) design and engineering errors; (c) material and/or labor shortages; (d) unforeseen site conditions; (e) adverse weather conditions and other force majeure events, including, earthquakes (see “—Seismic Risks” below), tornados, hurricanes or other natural disasters, epidemics, blockades, rebellions, war, riots, acts of sabotage, terrorism or civil commotion, and spills of hazardous materials, among other events; (f) defaults of the one or more of the Design Builders and litigation involving one or more of the Design Builders; (g) labor disputes; (h) environmental issues; (i) unavailability of other funding sources; (j) changes in law; and (k) delays in

obtaining or renewing required permits and revocation of permits and other approvals. No assurance can be made that the Gerald Desmond Bridge Replacement Project will not cost more than the current budget. Any delays in completing the Gerald Desmond Bridge Replacement Project could result in the proceeds of the 2014 Subordinate TIFIA Loan not being available to pay the principal of the Series 2018A Senior Notes at maturity and the proceeds of the Additional Subordinate TIFIA Loan, if received, not being available to pay the principal of the Series 2020C Senior Notes at maturity.

As described herein, the Harbor Department anticipates that funding for the Gerald Desmond Bridge Replacement Project will come from numerous sources, including, federal, state, and local grants (\$913 million), and other Harbor Department funds (\$648 million, including the \$325 million 2014 Subordinate TIFIA Loan and \$145 million of proceeds of the Series 2020C Senior Notes or the Additional Subordinate TIFIA Loan, if received). In the event that payment of the federal, state and local grants are delayed or if such grants are reduced and the Harbor Department is not able to replace such grants with funds of the Harbor Department or proceeds of additional Senior Bonds and/or Subordinate Obligations, the completion of the Gerald Desmond Bridge Replacement Project could be substantially delayed.

Market Access Required if 2014 Subordinate TIFIA Loan Proceeds are not Disbursed. In the event the conditions to disbursement of the 2014 Subordinate TIFIA Loan cannot be satisfied on or before the maturity date of the Series 2018A Senior Notes (December 15, 2020) or the maturity date of any obligations that may be issued to refinance the Series 2018A Senior Notes, the Harbor Department will be required to use alternate methods of repaying the Series 2018A Senior Notes, which could include issuing additional Senior Bonds or additional Subordinate Obligations. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES—Additional Senior Bonds.” No assurances can be given that the City, acting by and through the Board, will be able to access the capital markets in the event proceeds are not disbursed under the 2014 Subordinate TIFIA Loan.

Market Access Required if Additional Subordinate TIFIA Loan Proceeds are not Disbursed. In the event any conditions to disbursement of the Additional Subordinate TIFIA Loan, if received, cannot be satisfied on or before the maturity date of the Series 2020C Senior Notes ([_____], 20[___]) or the maturity date of any obligations that may be issued to refinance the Series 2020C Senior Notes the Harbor Department would be required to use an alternate method of repaying the Series 2020C Senior Notes which could include issuing additional Senior Bonds or additional Subordinate Obligations. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES—Additional Senior Bonds.” No assurances can be given that the City, acting by and through the Board, will be able to access the capital markets in the event proceeds are not disbursed under the Additional Subordinate TIFIA Loan, if received.

Damage or Destruction of New Bridge Prior to Transfer to Caltrans. One of the conditions precedent to the disbursement of the 2014 Subordinate TIFIA Loan and one of the possible conditions precedent to the disbursement of the Additional Subordinate TIFIA Loan, if received, is that no material adverse change has occurred to the new bridge prior to its transfer to Caltrans. In the event the Gerald Desmond Bridge Replacement Project has been substantially completed, but the City, acting by and through the Board, has not yet transferred the new bridge to Caltrans and the new bridge is damaged either through a natural event (e.g., earthquake) or other event (e.g., terrorist act), the 2014 Subordinate TIFIA Lender may refuse to disburse the proceeds of the 2014 Subordinate TIFIA Loan and the Additional Subordinate TIFIA Loan, if received. See “—Security at the Port” and “—Seismic Risks” below.

Ability to Meet Rate Covenant

As discussed in “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES—Rate Covenant,” the Master Senior Resolution provides that the City, acting by and through the Board, prescribe, revise and collect such charges, rentals, compensation or fees required to be paid for services, franchises, leases or licenses, as permitted or required by the Charter or otherwise by law, ordinance or order, to the City for operation upon lands and waters under the control and management of the Board, which, after

making allowances for contingencies and error in the estimates, produce Revenues in each Fiscal Year equal to 1.25 times Maximum Annual Debt Service on the Senior Bonds.

In California, marine terminal services and facilities are priced through leases, and preferential, management and user agreements with water carriers and/or terminal operators. These arrangements generally provide for economic discounts from established tariffs in exchange for term commitments and/or minimum payment guarantees. A substantial majority of the Harbor Department's maritime revenues are generated by such agreements. As payments under those agreements are usually based on current tariff rates, the Harbor Department can generally increase its revenues under those agreements either by increasing its tariff rates or through increases in shipping line volume. However, there are contractual, statutory, regulatory, practical, procedural and competitive limitations on the extent to which the Harbor Department can increase tariffs. Implementation of an increase in the schedule of rentals, rates, fees and charges for the use of the Port could have a detrimental impact on the operation of the Port by making the cost of operating at the Port unattractive to shipping lines and others in comparison to other locations, or by reducing the operating efficiency of the Port. See "THE PORT OF LONG BEACH—Property Agreements" above and "—Port Competition" below.

No Reserve Fund Established for Series 2020C Senior Notes

No debt service reserve fund will be established to secure the payment of the principal of and interest on the Series 2020C Senior Notes. Upon issuance of the Series 2020 Senior Bonds and the defeasance of the Series 2010 Senior Bonds with the proceeds of the Series 2020 Senior Bonds, no other Senior Bonds will be secured by a debt service reserve fund.

Factors Affecting Demand for Port Facilities

The demand for Port facilities and the Revenues of the Harbor Department are significantly influenced by a variety of factors, including, among others, global, domestic and local economic and political conditions, governmental regulation (including tariffs and trade restrictions), fuel prices, construction activity, currency values, international trade, availability and cost of labor, vessels, containers and insurance, the efficiency and adequacy of transportation and terminal infrastructure at the Port, the adequacy and location of major distribution hubs, the financial condition of maritime related industries, the proliferation of operational alliances and other structural conditions affecting maritime carriers. See "—Alliances and Consolidation of Container Shipping Industry" below.

The global, domestic and local economies play a very important role in the Port's container volumes and resulting revenues. In 2008 and 2009, the global economic recession resulted in a significant drop in global trade. This was exemplified by an approximately 8.5% decrease in the Port's contained volume in Fiscal Year 2008 as compared to Fiscal Year 2007 and an additional decrease of 21.6% in Fiscal Year 2009 as compared to Fiscal Year 2008. Future adverse economic conditions or actions that could negatively affect the economy (i.e., tariffs) could have an adverse effect the Revenues of the Harbor Department.

In the past, most recently being in late 2014 and early 2015, another factor affecting demand at the Port (and the Port of Los Angeles) has been congestion which has been caused by, among other things, ocean carriers divesting chassis ownership, shipping alliances and consolidation of the container ship industry, prolonged labor contract negotiation, and large volume ships straining marine terminal operating methods. Between October 2014 and March 2015, cargo throughput at the San Pedro Bay Ports decreased by 1.8% as compared to the period between October 2013 and March 2014. The Harbor Department cannot predict if congestion again will result in decreased demand of the Port's facilities.

Marine terminals continue to adjust to the deployment of mega vessels, defined as vessels with a TEU capacity of 10,000 or more. The Port is one of few ports nationwide that has the physical infrastructure to handle the so-called "big ships". At 76 feet, the Port has one of the deepest harbors of any seaport in the world. Five years ago, the average size vessel calling at the Port carried 8,000 TEUs. Today, vessels carrying up 13,000

TEUs call regularly and larger vessels are expected to arrive in the coming years as Middle Harbor reaches full development.

The San Pedro Bay Ports complex is the focal point for roughly 26 weekly vessel calls from East Asian ports, more than any other port complex in North America. The frequency of these vessel calls provides the Ports with operating flexibility and capacity. The Port offers features that extend beyond the piers, docks and waterways, in that Port tenants are serviced by the Union Pacific and BNSF Railways with over 75 weekly on-dock rail departures from Long Beach linking to an extensive network of rail connections. Additionally, southern California has the largest collection of logistics facilities in the nation, with approximately 1.7 billion square feet of warehouses and distribution centers.

Port Competition

The Revenues of the Harbor Department may be adversely impacted by increasing competition from other port facilities; however the Harbor Department cannot predict the scope of any such impact at this time. In addition, the imposition of fees that apply only to the Port or to a group of ports that includes the Port, may increase the cost to ocean carriers of utilizing the Port and may ultimately result in those ocean carriers using competing port facilities. The Harbor Department may reduce the tariffs or other charges applicable to its ocean carriers to moderate some or all of the potential impact, which in turn would reduce Revenues. See “—Factors Affecting Demand for Port Facilities” above.

There is significant competition for container traffic among North American ports. Success depends largely on the size of the local market and the efficiency of the port and inland transportation systems for non-local destinations. According to the American Association of Port Authorities, for the calendar year ended December 31, 2018, the top nine container ports in the nation in terms of container cargo were: (1) Port of Los Angeles (9.4 million TEUs), (2) Port of Long Beach (8.1 million TEUs), (3) Ports of New York and New Jersey (7.1 million TEUs), (4) Port of Savannah (4.3 million TEUs); (5) The Northwest Seaport Alliance (Ports of Seattle and Tacoma) (3.8 million TEUs), (6) Port of Norfolk (2.8 million TEUs), (7) Port of Houston (2.7 million TEUs), (8) Port of Oakland (2.5 million TEUs), and (9) Port of Charleston (2.3 million TEUs).⁵ As a comparison point, the facilities at the Port moved approximately 7.7 million TEUs (unaudited) for the Fiscal Year ended September 30, 2019.

Primary competition for the Port comes from the U.S. West Coast Ports of Los Angeles, Oakland, Seattle and Tacoma and the Canadian Ports of Vancouver and Prince Rupert. All-water service from Asia to the U.S. Gulf Coast and East Coast ports through the Panama Canal and through the Suez Canal also compete for the same cargoes. Improvements completed in 2016 to the Panama Canal will allow larger ships carrying up to 14,000 TEUs to traverse the canal and some diversion of Asian imports from West Coast ports to the U.S. East and Gulf Coast ports may increase. In addition, there may be longer-term competition from the West Coast ports of Mexico. All of these ports compete with the Port for discretionary intermodal cargo destined for locations in the Central and Eastern United States and Canada. Currently, this discretionary cargo moves eastward primarily by rail, after being off-loaded at West Coast ports in the United States and Canada. Discretionary cargo is highly elastic and is controlled largely by cargo owners and/or ocean carriers who can direct and redirect cargo to any port they choose. Currently, approximately 65% of the cargo handled by the Port is discretionary cargo. Each port has various competitive advantages and disadvantages in attracting this cargo, but overall cost is the primary factor in routing decisions. The greatest risk to the Port’s market share is with the intermodal discretionary cargo segment. Reduced market share ultimately could impact revenue for the Harbor Department. See “THE PORT OF LONG BEACH—Stevedoring and Cargo Handling.”

Southern California. The Port and the Port of Los Angeles compete for cargo that “naturally” moves through Southern California. Such cargo includes both local cargo (e.g., cargo consumed within the locally defined region) and cargo that is routed through Southern California for other reasons (e.g., superior inland

⁵ Statistics and ranking from the American Association of Port Authorities for calendar year 2019 are not yet available.

distribution capability). The population base in Southern California has been a key driving force for the growth of container cargo moving through the San Pedro Bay Ports. The roughly 24 million people living in Southern California are a lucrative market for imported goods which cargo owners and ocean carriers need to service directly. The development of large efficient container terminals and connections to intermodal rail links benefit the carriers and cargo owners due to the economies of scale at the San Pedro Bay Ports. Most container services calling on the West Coast include stops in Southern California and of these stops, a majority utilize the San Pedro Bay Ports as their first port of call and primary intermodal gateway. Over the past ten calendar years, total container throughput at the San Pedro Bay Ports increased from approximately 11.8 million TEUs in 2009 (which amount reflected the negative impacts of the last recession) to approximately 17.5 million TEUs in 2018. Over the last five years, as the economy recovered from the recession, total container throughput at the San Pedro Bay Ports increased by 15.8% from approximately 15.2 million TEUs in 2014 to approximately 17.5 million TEUs in 2018. The San Pedro Bay Ports' share of total West Coast TEU throughput was approximately 61.6% in 2018.

The Port of Los Angeles is effectively the Port's only competition for the local market areas of Southern California, Arizona, New Mexico, Southern Nevada and Utah because of its proximity to the Port and shared inland infrastructure. Other Southern California ports, such as San Diego and Hueneme, account for a very small percentage of total West Coast cargo volume and are not expected to increase their market shares significantly in the foreseeable future. The Port of Los Angeles was the number one container port in the nation during calendar year 2018, moving approximately 9.4 million TEUs, as compared to the Port (the second busiest container port in the nation) which moved approximately 8.1 million TEUs. For calendar year 2018, the Port's share of total West Coast containerized cargo was approximately 28.4% as compared to approximately 33.2% for the Port of Los Angeles.

Oakland. The Port of Oakland is the primary container port for the San Francisco Bay Area. Although the Port of San Francisco has cargo handling facilities, its primary focus is waterfront commercial real estate. Therefore, the Port of Oakland dominates container traffic through Northern California. The Port of Oakland handled approximately 2.4 million TEUs in calendar year 2017, accounting for approximately 8.8% of the West Coast container market. In calendar year 2018, the Port of Oakland handled approximately 2.5 million TEUs, and its share of the West Coast container market was approximately 8.9%.

Pacific Northwest. Despite the relatively small population base of western Washington, the Ports of Seattle and Tacoma have some advantages over other ports. Located on Puget Sound, the Ports of Seattle and Tacoma enjoy naturally deep harbors and are one day's sailing time closer to the ports in the Pacific Rim countries than the Port. Unlike the Port, the Ports of Seattle and Tacoma are subsidized by general property tax revenues, which allow them to price their marine terminal facilities below the Port's. The Ports of Seattle and Tacoma handled approximately 3.7 million TEUs in calendar year 2017, and together accounted for a total of approximately 13.4% of the West Coast container market. The Ports of Seattle and Tacoma handled approximately 3.8 million TEUs, in calendar year 2018, and together accounted for a total of approximately 13.3% of the West Coast container market.

On December 1, 2014 the Ports of Tacoma and Seattle announced the formation of The Northwest Seaport Alliance to unify management at the two ports' marine cargo terminals and collaborate on business objectives, strategic maritime investments, financial returns, performance metrics, organizational structure and communications and public engagement.

The development of additional container handling capacity at Port Metro Vancouver ("PMV"), which was formed by the merger of the Ports of Vancouver, Fraser River and North Fraser River, has added a competitive threat to the Puget Sound ports and provides an alternative gateway for some U.S. intermodal cargo. Like the Ports of Seattle and Tacoma, PMV is one day's sailing time closer to the ports in the Pacific Rim countries than the Port. In January 2010, PMV opened a third berth at Deltaport, which increased PMV's capacity by up to 600,000 TEUs and added 50 acres of container storage facilities to the existing two berth container terminal (210 acres after expansion). In addition, PMV is planning the Robert Banks Terminal 2

Project at Deltaport, which will add a new, three-berth container facility with 200 acres of upland container terminal. PMV handled approximately 3.2 million TEUs in calendar year 2017, accounting for approximately 11.9% of the West Coast container market. PMV handled approximately 3.3 million TEUs in calendar year 2018, accounting for approximately 11.9% of the West Coast container market.

All-Water Routes. The use of all-water routes to the East and Gulf Coasts of the U.S. is an alternative to Asian intermodal cargo moving through United States West Coast ports. Demand for these all-water services increased following the 2002, 2008 and 2014 longshore contract issues that affected the entire West Coast. The primary appeal of the all-water routes is the expected reliability of the services (e.g., the lack of perceived labor shortages or work stoppages). Historically, constraints to all-water routes included lack of channel depth at many Gulf and East Coast ports compared to West Coast ports, longer shipping times, and vessel size limitations of the Panama Canal. The latter constraint was mitigated by an expansion of the Panama Canal, the completion of which occurred in 2016 and allows larger vessels carrying up to 14,000 TEUs to navigate the isthmus in order to reach Gulf and East Coast ports. The competitive landscape also includes plans now in the works for many ports to increase channel depth, and remove other physical obstacles which prevent the calling of “big ships,” and enhancing operational efficiency through the purchase and use of new equipment and automation, as well as augmenting transportation infrastructure.

Alliances and Consolidation of Container Shipping Industry

As illustrated by the bankruptcy of Hanjin in 2016, since 2007, the financial health of the container-shipping industry has been under substantial stress because of numerous factors, including, among others, the world financial crisis which occurred between 2008 and 2009, overcapacity of available ships, decreasing freight rates and volatile fuel costs. In response to these challenges, among others, the container-shipping industry has seen the forming of strategic alliances and the merger of certain shipping lines.

As of the date of this Official Statement, there are three main shipping alliances, 2M+H+Z Alliance, THE Alliance and OCEAN Alliance.

In 2014, Maersk and Mediterranean Shipping Company established the “2M Alliance,” a 10-year agreement for Asia-Europe, trans-Atlantic and trans-Pacific routes. In 2017, Hyundai Merchant Marine Shipping (HMM) became a partner in 2M through a strategic cooperation agreement, and in 2018, ZIM also became a partner in this agreement. This alliance is referred to as 2M+H+Z Alliance.

THE (Transport High Efficiency) Alliance, established in 2017, consists of the Ocean Network Express (ONE) (which formed in April 2018 when NYK Line, MOL and “K” Line became one company), Yang Ming, and Hapag-Lloyd. According to the Journal of Commerce and subject to necessary regulatory approvals, HMM will depart from the 2M+H+Z Alliance in April 2020 and join ONE, Yang Ming, and Hapag-Lloyd as a member of THE Alliance as part of a 10-year agreement starting April 1, 2020 and will include Asia-Europe, Asia-Mediterranean, trans-Pacific to United States West Coast and East Coast ports, trans-Atlantic and Asia-Middle East routes.

OCEAN Alliance, established in 2017, consists of CMA CGM, Evergreen, OOCL and COSCO. According to OCEAN Alliance, the pact will be for ten years and will include Asia-Europe, Asia-Mediterranean, trans-Pacific to United States West Coast and East Coast ports, trans-Atlantic, Asia-Red Sea and Asia-Middle East routes.

According to IHS Markit/PIERS, these three alliances shipped over 94% of all imports from Asia to the United States from January through August 2019. In addition, according to IHS Markit/PIERS, from January 2019 to August 2019, the OCEAN Alliance, THE Alliance and 2M+H+Z Alliance accounted for 41.9%, 28.2% and 24.6%, respectively, of the market share of United States imports from Asia. However, with HMM’s United States import volume shifting from 2M+H+Z Alliance to THE Alliance, it is expected that such alliances’

market share will change. Many of the container-shipping lines that are part of 2M+H+Z Alliance, THE Alliance and OCEAN Alliance operate at the Port.

In addition to the alliances described above, numerous shipping lines have merged in the past five years. See “THE PORT OF LONG BEACH—Current Port Facilities—Container Terminals—Middle Harbor Terminal” for information about COSCO’s and OOCL’s interests in the Middle Harbor Terminal.

Additional alliances and mergers could occur in the future. Although, at this time, the Harbor Department cannot predict what effect 2M+H+Z, THE Alliance and OCEAN Alliance and the pending sale of LBCT, will have on container traffic at the Port or the Revenues of the Harbor Department, alliances and consolidation in the container-shipping industry could impact container traffic at the Port and affect Revenues.

Factors Affecting 2019-28 Capital Plan

The ability of the Harbor Department to complete the projects in the 2019-28 Capital Plan may be adversely affected by various factors including: (a) estimating errors; (b) design and engineering errors; (c) changes to the scope of the projects, including changes to federal security regulations; (d) delays in contract awards; (e) material and/or labor shortages; (f) unforeseen site conditions; (g) adverse weather conditions and other force majeure events, such as earthquakes; (h) contractor defaults; (i) labor disputes; (j) unanticipated levels of inflation; (k) environmental issues; and (l) unavailability of, or delays in, anticipated funding sources. The Harbor Department can provide no assurance that the existing projects in the 2019-28 Capital Plan will not cost more than the current budget for these projects. Any schedule delays or cost increases could result in the need to incur additional indebtedness.

Unavailability of, or Delays in, Anticipated Funding Sources

As described herein, the Harbor Department anticipates that funding for the 2019-28 Capital Plan will be provided through proceeds of Senior Bonds and Subordinate Obligations, revenues of the Harbor Department, federal and State grants and other sources. See “CAPITAL DEVELOPMENT PROGRAM” for a description of the financing plan for the 2019-28 Capital Plan. In the event that any of such sources are unavailable for any reason, including unavailability of revenues of the Harbor Department, reduction in the amount or delays in the receipt of federal and State grants available to the Harbor Department or any other reason, the completion of the 2019-28 Capital Plan could be substantially delayed and financing costs could be higher than projected. There can be no assurances that such circumstances will not materially adversely affect the financial condition or operations of the Port.

Executive Orders and Federal Laws and Regulations (Tariffs and Trade)

Since taking office in January 2017, the Trump Administration has issued several executive orders and proclamations, and has indicated its intent to initiate additional executive orders, legislation and/or regulations affecting Federal policy in areas such as tariffs and trade.

Since January 2018, President Trump has applied a significant amount of new tariffs to a wide variety of products imported from China and other nations, including aluminum, steel and consumer goods. As of the date of this Official Statement, the Trump administration continues to review the imposition of additional tariffs. In response to the tariffs imposed by the U.S., numerous countries around the world (including China) have imposed tariffs on U.S. produced goods, and have publicly indicated additional tariffs may be imposed in the future. While tariffs imposed by the U.S., China and other nations may, in general have a financial impact upon the Harbor Department and/or the tenants of the Port, as of the date of this Official Statement, insufficient information is available to estimate the magnitude, if any, of such potential impacts. There can be no assurances that extended continuation of current tariffs and/or imposition of additional tariffs will not materially adversely affect the financial condition of the Harbor Department.

Security at the Port

As a result of the terrorists attacks of September 11, 2001, the Maritime Transportation Security Act of 2002 (“MTSA”) was signed into law on November 25, 2002 to require sectors of the maritime industry to implement measures designed to protect the ports and waterways of the U.S. from a terrorist attack. MTSA requires interagency teamwork within the Department of Homeland Security, including, the U.S. Coast Guard, the Transportation Security Administration (the “TSA”) and the Bureau of Customs and Border Protection, and the Department of Transportation’s Maritime Administration to develop security regulations. The security regulations focus on those sectors of maritime industry that have a higher risk of involvement in a transportation security incident, including various tank vessels, barges, large passenger vessels, cargo vessels, towing vessels, offshore oil and gas platforms, and port facilities that handle certain kinds of dangerous cargo or service the vessels listed above. Such regulations were implemented on July 1, 2003, and final rules became effective in November 2003. The regulations provide for port and vessel owners and operators to assess their vulnerabilities, and to then develop plans that may include implementing vehicle, container and baggage screening procedures, designating security patrols, establishing restricted areas, implementing personnel identification procedures, accessing control measures, and/or installing surveillance equipment. The Harbor Department and each of its applicable tenants have in place procedures for complying with MTSA.

To comply with MTSA regulations and based on the Harbor Department’s own initiatives, the Harbor Department is implementing certain security measures. The Harbor Department has installed and implemented a video camera surveillance system to monitor activities throughout the Port complex. To address waterside threats, the Harbor Department has a radar detection system and has agreements with the Long Beach Police Department to provide 24/7 “on water” patrol capability. The Harbor Department is working with marine terminal operators and other stakeholders within and outside the Port to share video camera feeds, thereby enhancing overall regional security monitoring capabilities. The Harbor Department has installed tools to assist in emergencies, including programmable highway signs, and an automated emergency notification system to provide secure communications with tenants and emergency services. The Harbor Department continues to support efforts by the TSA to implement a transportation workers identification card. The Harbor Department has improved and continues to enhance physical security throughout the Port complex by installing security fencing, lighting, barriers and access control systems. These improvements are being applied to all infrastructure above and below ground. Radiation portal monitors have been installed at all of the container terminals, which are managed by the U.S. Customs & Border Protection. All containers originating at foreign ports will be tested for the presence of radioactive materials when leaving the Port.

In February 2009, the Harbor Department opened the Joint Command & Control Center which serves as the Harbor Department Security Division and Port Police Division headquarters and functions as a multi-agency incident command post, housing approximately 120 personnel (which is triple the level of staffing on September 11, 2001). The Command and Control Center functions as a “maritime domain awareness center” and combines and displays all the surveillance, detection and monitoring data from throughout the Port; this data is shared and communicated with facility security personnel and law enforcement agencies that protect the harbor complex. In addition, the Harbor Department has implemented a geo-spatial software platform that provides a common operational picture of the region’s maritime domain to support daily security functions, incident response, and recovery operations. The Command and Control Center also is the home to the Maritime Coordination Center, which coordinates the response to offshore illicit activities for over 70 different maritime law enforcement entities along 320 miles of California coastline. The Harbor Department has significantly increased its budgeted security operating costs since 2002. Security Division operating expenses as well as service agreements with City of Long Beach Fire and Police Departments have increased from \$15.6 million in 2008 to \$33.0 million in 2020.

In 2016 and 2017, the Harbor Department took delivery of two new state-of-the-art fireboats that will, among other things, enable it to respond more effectively to fires on mega-cargo ships. In addition, these fireboats are equipped with chemical, biological, radiological, and nuclear response capabilities and have an air tight citadel and equipment that enables them to respond to hazardous incidents.

There can be no assurance that MTSA requirements will not become more strict or that additional requirements may require the Harbor Department to incur additional security-related expenses.

National and local law enforcement officials have warned that additional terrorist attacks upon key infrastructure and other targets in the United States are possible. The Port and the surrounding waterways are particularly visible infrastructure assets that could be the subject of future attempted terrorist attacks. A shutdown of the Port complex could have a significant impact on the U.S. economy. A terrorist attack on the Port or the surrounding waterways or an attack somewhere else in the country or the world could have a material adverse effect on the collection of Revenues at the Port. See “FINANCIAL DATA—Risk Management and Insurance.”

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operations of the Port. The Harbor Department and the tenants at the Port collect and store sensitive data, including intellectual property, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to industry operations.

The Harbor Department approaches cybersecurity through a multi-threaded approach to ensure a layered defense. The Cybersecurity Framework (“CSF”) utilized by the Harbor Department aligns with industry standards and regulations (focusing on National Institute of Standards and Technology Special Publication 800-53). This standard recommends security controls for federal information systems and organizations while documenting security controls for all federal information systems with the exception for those designed for national security. This framework allows continual assessments and improvement of the Port’s cybersecurity program.

The Harbor Department routinely utilizes respected and objective third-party consultants to perform risk assessments of its cybersecurity programs. The CSF is used to assess the people, process and technology components. Additionally, the Harbor Department regularly consults with the United States Coast Guard, the Federal Bureau of Investigation, the Department of Homeland Security, the Center for Internet Security, and respected technical advisory firms to benchmark its practices and stay abreast of emerging threats.

Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in the efficiency of commerce, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, operations and the services provided, and cause a loss of confidence in the commercial operations of industries including the operations at the Port, which could ultimately adversely affect Harbor Department revenues.

Environmental Compliance and Impacts

Future environmental laws, regulations, enforcement priorities and standards and judicial decisions may impact the Harbor Department and the Port and the ability to construct and develop new revenue-generating facilities at the Port. Such impacts could be material and could result in significantly delays. See “THE PORT OF LONG BEACH—Environmental Compliance.”

In addition to the laws and regulations enacted and adopted by governmental entities, certain individuals and organizations could seek additional legal remedies to require the Harbor Department to take further actions to mitigate health hazards or seek damages from the Harbor Department in connection with the environmental impact of its maritime activities. Any actions taken by these individuals and organizations could be costly to

defend, could result in substantial damage awards against the Harbor Department or could significantly delay or limit the Harbor Department's plans to construct and develop new revenue-generating facilities at the Port.

Climate Change

In November 2015, the City Mayor signed an official commitment to the Compact of Mayors (now called the Global Covenant of Mayors), a global coalition working to collectively reduce greenhouse gas emissions and enhance resilience to climate change. As part of this commitment, the City is currently developing a Climate Action and Adaptation Plan ("CAAP"). The CAAP will also be used to ensure City compliance with various state and regional mandates. As part of the larger CAAP report process, the City is required to file a report with the State Lands Commission that will estimate the potential future costs of sea level rise within the Tidelands area of the City. The CAAP is intended to provide a framework for creating or updating policies, programs, practices, and incentives for City residents and businesses to reduce the City's greenhouse gas footprint, and better protect the City community and its physical assets from the impacts of climate change. The CAAP process to date has included the preparation of technical analyses and vulnerability assessments of critical City assets. Currently CAAP development efforts indicate that, in the future, climate-related hazards may impact the City, including sea level rise, flooding and extreme heat. Related impacts could include damage to critical City infrastructure, such as the City's buildings, and wastewater and transportation systems. The CAAP development process will also include the development of mitigation and adaptation strategies for the City to consider, including reductions of greenhouse gas emissions, strengthening emergency response and disaster recovery planning, and the relocation or elevation of infrastructure, business' and homes in areas particularly subject to climate impact.

In 2016, the Harbor Department finalized the "Port of Long Beach Coastal Resiliency Plan", which aims to improve the resiliency of Port operations and infrastructure by proactively identifying areas and assets which will be vulnerable to anticipated changes in climate (including sea level rise) and providing cost-effective adaptation strategies to address those vulnerabilities.

The Harbor Department is unable to predict whether sea-level rise or other impacts of climate change will occur while the Series 2020C Senior Notes are outstanding, and if any such events occur, whether there will be an adverse impact, material or otherwise, on Revenues.

Seismic Risks

The Port is located in an area considered to be seismically active. The two faults closest to the Port are the Palos Verdes fault and the Newport-Inglewood fault. More distant faults with a history of causing earthquakes and damage include the San Andreas and San Jacinto faults. A significant earthquake is possible during the period the Series 2020C Senior Notes will be outstanding. Since 1975, the Harbor Department has designed wharves and other major facilities to withstand the effects of an 8.0 Richter Scale earthquake on the San Andreas fault and a 7.5 Richter Scale earthquake on either the Newport-Inglewood fault or the Palos Verdes fault.

In March 2015, the Uniform California Earthquake Rupture Forecast (the "2015 Earthquake Forecast") was issued by the Working Group on California Earthquake Probabilities. Organizations sponsoring the Working Group on California Earthquake Probabilities include the U.S. Geological Survey, the California Geological Survey, the Southern California Earthquake Center and the California Earthquake Authority. According to the 2015 Earthquake Forecast, the probability of a magnitude 6.7 or larger earthquake over the next 30 years (from 2014) striking the greater Los Angeles area is 60%. From the Uniform California Earthquake Rupture Forecast published in April 2008 (the "2008 Earthquake Forecast"), the estimated rate of earthquakes around magnitude 6.7 or larger decreased by about 30%. However, the estimate for the likelihood that California will experience a magnitude 8.0 or larger earthquake in the next 30 years (from 2014) increased from about 4.7% in the 2008 Earthquake Forecast to about 7.0% in the 2015 Earthquake Forecast. The 2015 Earthquake Forecast

considered more than 250,000 different fault-based earthquakes, including multifault ruptures, whereas the 2008 Earthquake Forecast considered approximately 10,000 different fault-based earthquakes.

The Port could sustain extensive damage to its facilities in a major seismic event from ground motion and liquefaction of underlying soils, which damage could include slope failures along the shoreline, damage to streets, bridges and rail facilities, pavement displacement, distortions of pavement grades, breaks in utility, drainage and sewage lines, displacement or collapse of buildings, failure of bulkhead walls, and rupture of gas and fuel lines. A major seismic event in Southern California, or elsewhere in the world, also could result in the creation of a tsunami that could cause flooding and other damage to the Port. Damage to Port facilities as a result of a seismic event could materially adversely affect Revenues. Additionally, damage to Long Beach/Los Angeles area infrastructure outside of the Port, such as bridges, streets and freeways, public transportation and rail lines could materially adversely affect access to and from the Port, which in turn could materially adversely affect Revenues.

Neither the City nor the Harbor Department maintains insurance against earthquake damage because of the high costs of premiums and the low levels of coverage currently available. To date, no earthquakes have caused structural damage to Port facilities. See “FINANCIAL DATA—Risk Management and Insurance.”

Termination or Expiration of Property Agreements

Over the last five Fiscal Years, property agreements covering waterfront property and facilities have generated in excess of 95% (unaudited) of the Harbor Department’s operating revenues, with the largest single customer accounting for approximately 23% (unaudited) of the Harbor Department’s operating revenues in Fiscal Year 2019. Under these agreements, the City, by and through the Board, assigns or leases property and facilities to terminal operators for terms of up to 40 years. The property agreements with the Port’s current top ten revenue producers have expiration dates ranging from 2022 to 2051, with eight of these agreements (including most of the agreements for the major container terminals) expiring between 2022 and 2034.

Should a significant number of the parties to the property agreements default on their obligation, terminate their relationships with the Harbor Department or fail to renew their agreements upon expiration, the amount of Revenues realized by the Harbor Department could be materially impaired and this could have an adverse impact on the Harbor Department’s ability to pay debt service on the Series 2020C Senior Notes. See “THE PORT OF LONG BEACH—Property Agreements.”

Effect of Tenant Bankruptcy

A bankruptcy of a tenant of the Port could result in delays and/or reductions in payments to the Harbor Department which could affect the Harbor Department’s ability to pay debt service on the Senior Bonds (including the Series 2020C Senior Notes) and Subordinate Obligations.

A tenant that has executed a preferential assignment agreement, lease or other executory contract with the Board and seeks protection under the U.S. bankruptcy laws must assume or reject (a) its preferential assignment agreement or lease within 120 days after the bankruptcy filing (subject to court approval, a one-time 90-day extension is allowed, and further extensions are allowed with the consent of the Board), and (b) its other executory contracts with the Board prior to the confirmation of a plan of reorganization.

In the event of assumption and/or assignment of any agreement to a third party, the tenant would be required to cure any pre- and post-petition monetary defaults and provide adequate assurance of future performance under the applicable preferential assignment agreement, lease or other agreements.

Rejection of a preferential assignment agreement, lease or other agreement or executory contract will give rise to an unsecured claim of the Harbor Department for damages, the amount of which in the case of a preferential assignment agreement or lease is limited by the United States Bankruptcy Code generally to the

amounts unpaid prior to bankruptcy plus the greater of (i) one year of rent or (ii) 15% of the total remaining lease payments, not to exceed three years. However, the amount ultimately received in the event of a rejection of a preferential assignment agreement or lease could be considerably less than the maximum amounts allowed under the United States Bankruptcy Code.

In addition, payments made by a tenant in bankruptcy within 90 days of filing a bankruptcy case could be deemed to be an “avoidable preference” under the United States Bankruptcy Code and thus subject to recapture by the debtor or its trustee in bankruptcy.

During the pendency of a bankruptcy proceeding, a debtor tenant may not, absent a court order, make any payments to the Harbor Department on account of goods and services provided prior to the bankruptcy. Thus, the Harbor Department’s stream of payments from a debtor tenant would be interrupted to the extent of pre-petition goods and services, including accrued tariffs and rents.

In general, risks associated with bankruptcy include risks of substantial delay in payment or of non-payment and the risk that the Board may not be able to enforce any of its remedies under the agreements with a bankrupt tenant.

With respect to a tenant in bankruptcy proceedings in a foreign country, the Board is unable to predict what types of orders and/or relief could be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States.

Should a significant number of the parties to the major revenue producing property agreements file for bankruptcy protection, Revenues received by the Harbor Department could be materially adversely impacted and this could have an adverse impact on the Harbor Department’s ability to pay debt service on the Series 2020C Senior Notes. There may be other possible effects of a bankruptcy of a tenant that could result in delays or reductions in payments on the Series 2020C Senior Notes. Regardless of any specific adverse determinations in a tenant bankruptcy proceeding, the fact of a tenant bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2020C Senior Notes.

With respect to the Hanjin bankruptcy filing in August 2016, amounts due under the preferential assignment agreement with Total Terminals were paid to the Harbor Department on time and in the full amount.

Effect of City Bankruptcy

The City is able to file for bankruptcy under Chapter 9 of the United States Bankruptcy Code. Should the City become the debtor in a bankruptcy case, the holders of the Series 2020C Senior Notes will not have a lien on Revenues received by the City after the commencement of the bankruptcy case unless the bankruptcy court determines that Revenues constitute “special revenues” within the meaning of the United States Bankruptcy Code. “Special revenues” are defined to include receipts from the ownership, operation, or disposition of projects or systems that are primarily used or intended to be used primarily to provide transportation, utility or other services, as well as other revenues or receipts derived from particular functions of the debtor. While the Board believes that Revenues should be treated as “special revenues,” no assurance can be given that a bankruptcy court would not find otherwise. If Revenues are not “special revenues,” there could be delays or reductions in payments on the Series 2020C Senior Notes. Even if a court determines that Revenues are not “special revenues,” the Harbor Department will be able to use Revenues to pay operation and maintenance costs of the Port, notwithstanding any provision of the Senior Resolution or any other agreement to the contrary.

There may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Series 2020C Senior Notes. The Board cannot predict what types of orders and/or relief may be granted by a bankruptcy court that could have a material adverse effect on the Harbor Department’s receipt or application of Revenues. Regardless of any specific adverse determinations in a City bankruptcy proceeding,

the fact of a City bankruptcy proceeding or of City financial difficulties could have an adverse effect on the liquidity and market value of the Series 2020C Senior Notes.

Impact of Labor Negotiations

Protracted negotiations in 2014 and 2015 between the ILWU and the Association, although not involving any employees of the Harbor Department, had a compounding effect on congestion issues that had slowed down container cargo movement through San Pedro Bay Ports from September 2014 through February 2015. The Association and the ILWU reached a tentative agreement on February 20, 2015 which was approved by ILWU delegates on May 22, 2015. Harbor Department revenues were temporarily impacted in January and February 2015 as a result of the protracted negotiations and other congestion factors. The Harbor Department cannot predict with any certainty the extent to which any future failure of the ILWU and the Association to reach contractual agreements may lead to future work slowdowns or work stoppages. Such negotiations, slowdowns or work stoppages could have a material adverse impact on Revenues. See “THE PORT OF LONG BEACH—Stevedoring and Cargo Handling.”

Remedies Upon Default

If an event of default occurs under the Senior Resolution, the bondholders are not permitted to accelerate the payment of the principal of and interest on the Senior Bonds (including the Series 2020C Senior Notes), and, therefore, the bondholders may be required to make a separate claim for each semiannual payment not paid. However, as discussed above under “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations), the 2014 Subordinate TIFIA Loan Agreement and the Subordinate Revolving Obligations Credit Agreement permit the 2014 Subordinate TIFIA Lender and the Subordinate Revolving Obligations Bank, respectively, to accelerate payments due the 2014 Subordinate TIFIA Lender and the Subordinate Revolving Obligations Bank upon the occurrence of certain events of default set forth in each of the 2014 Subordinate TIFIA Loan Agreement and the Subordinate Revolving Obligations Credit Agreement.

Pension and Post-Retirement Benefits

As described in “FINANCIAL DATA—Retirement Programs,” eligible employees of the Harbor Department participate with the City in a pension plan administered by CalPERS. The Harbor Department anticipates that the City’s (and the Harbor Department’s) required contribution rate will continue to increase in amounts that may or may not be material, depending on a variety of actuarial factors, and which the Harbor Department cannot predict with any certainty.

Potential Limitation of Tax Exemption of Interest on Series 2020C Senior Notes

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Series 2020C Senior Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986, as amended, or court decisions may also cause interest on the Series 2020C Senior Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Internal Revenue Code of 1986, as amended, or court decisions may also affect the market price for, or marketability of, the Series 2020C Senior Notes. Prospective purchasers of the Series 2020C Senior Notes should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Note Counsel expresses no opinion. See “TAX MATTERS—Changes in Federal and State Tax Law.”

Forward-Looking Statements

This Official Statement contains statements relating to future results that are “forward-looking statements.” When used in this Official Statement, the words “plan,” “expect,” “estimate,” “budget,” “project,” “forecast,” “will likely result,” “may,” “are expected to,” “will continue,” “is anticipated,” “intend” or other similar words or expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements.

The forward-looking statements herein are based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including carriers, customers, suppliers and competitors, among others, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City, the Harbor Department and the Board. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

LITIGATION

No Litigation Relating to the Series 2020C Senior Notes

There is no controversy of any nature now pending against the City or the Board or to the knowledge of officers of the City or members of the Board threatened, seeking to restrain or enjoin the sale, issuance or delivery of the Series 2020C Senior Notes or in any way contesting or affecting the validity of the Series 2020C Senior Notes or any proceedings of the City or the Board taken with respect to the issuance or sale thereof, or the pledge or application of the Revenues, and any other monies or securities provided for the payment of the Series 2020C Senior Notes or the use of the Series 2020 Senior Note proceeds.

Litigation Relating to the Harbor Department and the Port

General. From time to time, the Harbor Department is a party to litigation and is subject to claims arising out of its normal course of business and its tenants’ operations. In actions brought against the Harbor Department’s tenants whereby the Harbor Department is also named as a party to the action, the Harbor Department usually requires the tenant to defend and indemnify the Harbor Department. Additionally, on the advice of counsel, the Harbor Department generally establishes reserves against such lawsuits and claims that are deemed to have merit. At this time, the management of the Harbor Department is of the opinion that if any lawsuits and claims, pursuant to which the Harbor Department is currently a named party, are concluded adversely to the Harbor Department, they will not have material adverse effect on the Harbor Department’s financial condition.

Fireboat Litigation. On October 27, 2017, the City, acting by and through the Board, filed a complaint in the Superior Court of California, County of Los Angeles, against Foss Maritime Company (“Foss”), for, among other things, breach of contract in connection with the late construction and delivery of two new fireboats to be used at the Port. The Harbor Department is seeking liquidated damages of approximately \$10.2 million. On July 26, 2018, Foss filed an amended cross-complaint against the Harbor Department seeking at least \$43.1 million of damages relating to the two fireboats and lost business opportunities. As of the date of this Official Statement, the Harbor Department cannot predict the ultimate outcome of this litigation.

TAX MATTERS

General

[Update]

In the opinion of Kutak Rock LLP, Note Counsel to the City, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2020C Senior Notes is excluded from gross income for federal income tax purposes and interest on the Series 2020C Senior Notes is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions described in the preceding sentence assume the accuracy of certain representations and compliance by the City, acting by and through the Board, with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be met subsequent to the issuance of the Series 2020C Senior Notes. Failure to comply with such requirements could cause interest on the Series 2020C Senior Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2020C Senior Notes. The City, acting by and through the Board, will covenant to comply with such requirements. Note Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2020C Senior Notes.

Note Counsel is further of the opinion that interest on the Series 2020C Senior Notes is exempt from present State of California personal income taxes.

Special Considerations With Respect to the Series 2020C Senior Notes

The accrual or receipt of interest on the Series 2020C Senior Notes may otherwise affect the federal income tax liability of the owners of the Series 2020C Senior Notes. The extent of these other tax consequences will depend upon such owner’s particular tax status and other items of income or deduction. Note Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2020C Senior Notes, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2020C Senior Notes.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2020C Senior Notes is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2020C Senior Notes from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the various state legislatures that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series 2020C Senior Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if

implemented or concluded in a particular manner, could adversely affect the market value of the Series 2020C Senior Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2020C Senior Notes or the market value thereof would be impacted thereby. Purchasers of the Series 2020C Senior Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Note Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2020C Senior Notes and Note Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Tax Treatment of Original Issue Premium

The Series 2020C Senior Notes maturing on [____], 20__ through, and including, [____], 20__ (collectively, the “Premium Series 2020C Senior Notes”) are being sold at a premium. An amount equal to the excess of the issue price of a Premium Series 2020 Senior Bond over its stated redemption price at maturity constitutes premium on such Premium Series 2020 Senior Bond. An initial purchaser of a Premium Series 2020 Senior Bond must amortize any premium over such Premium Series 2020 Senior Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Series 2020C Senior Notes callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser’s basis in such Premium Series 2020 Senior Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Series 2020 Senior Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Series 2020C Senior Notes should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Series 2020 Senior Bond.

Tax Treatment of Original Issue Discount

The Series 2020C Senior Notes maturing on [____], 20__ through, and including, [____], 20__ (collectively, the “Discount Series 2020C Senior Notes”) are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Series 2020C Senior Notes and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described under “—General” above.

The amount of original issue discount which is treated as having accrued with respect to such Discount Series 2020 Senior Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Series 2020 Senior Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Series 2020 Senior Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Series 2020 Senior Bond, on days which are determined by reference to the maturity date of such Discount Series 2020 Senior Bond. The amount treated as original issue discount on such Discount Series 2020 Senior Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Series 2020 Senior Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Series 2020 Senior Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Series 2020 Senior Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Series 2020 Senior Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior

periods. If such Discount Series 2020 Senior Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Series 2020C Senior Notes should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Series 2020 Senior Bond.

Recognition of Income Generally. Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. The rule generally applies to taxable years after 2017, except that in the case of income from a debt instrument having original issue discount, the rule does not apply until taxable years after 2018. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the Discount Series 2020C Senior Notes under the Code.

LEGAL MATTERS

The validity of the Series 2020C Senior Notes and certain other legal matters are subject to the approving opinion of Kutak Rock LLP, Note Counsel to the City. A complete copy of the proposed form of Note Counsel's opinion is contained in Appendix C hereto. As Note Counsel, Kutak Rock LLP undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain matters will be passed upon for the City by the City Attorney of the City of Long Beach. Certain legal matters in connection with the Official Statement will be passed upon by Hawkins Delafield & Wood LLP, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Nixon Peabody LLP. All of the fees of Note Counsel, Disclosure Counsel and Underwriters' Counsel with regard to the issuance of the Series 2020C Senior Notes are contingent upon the issuance and delivery of the Series 2020C Senior Notes.

RATINGS

Fitch Ratings ("Fitch") and Moody's Investors Service Inc. ("Moody's") have assigned long-term ratings of "[____]" ([____] outlook), and "[____]" ([____] outlook), respectively, to the Series 2020C Senior Notes. Such ratings reflect only the views of such organizations and any explanation of the significance of such ratings may only be obtained from Fitch and Moody's, respectively. The City and the Harbor Department furnished Fitch and Moody's certain information and material concerning the Series 2020C Senior Notes, the Harbor Department and the Port. Generally, rating agencies base their ratings on such information and material, and on investigations, studies and assumptions made by the rating agencies themselves. There is no assurance that a rating given will remain in effect for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency, if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the ratings might have an adverse effect on the market price or marketability of the Series 2020C Senior Notes. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

UNDERWRITING

The Series 2020C Senior Notes are being purchased by Citigroup Global Markets Inc., Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC and Stifel, Nicolaus & Company, Incorporated (the "Underwriters") from the City, acting by and through the Board, at a price of \$[_____] (representing the principal amount of the Series 2020C Senior Notes, plus an original issue premium of \$[_____] and less an underwriters' discount of \$[_____]), subject to the terms of a Note Purchase Agreement, dated

[_____], 2020 (the “Note Purchase Agreement”), between Citigroup Global Markets Inc., on its own behalf and on behalf of the Underwriters, and the City, acting by and through the Board.

The Note Purchase Agreement provides that the Underwriters will purchase all of the Series 2020C Senior Notes if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Note Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions. The initial public offering prices of the Series 2020C Senior Notes set forth on the inside front cover page hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Series 2020C Senior Notes into unit investment trusts or money market funds at prices lower than the public offering prices stated on the inside front cover page hereof.

The Underwriters have provided the following two paragraphs for inclusion in the Official Statement.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

Citigroup Global Markets Inc., an underwriter of the Series 2020C Senior Notes, has provided the following paragraph for inclusion in the Official Statement.

Citigroup Global Markets Inc., an underwriter of the Series 2020C Senior Notes, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

MUNICIPAL ADVISOR

The Board has retained Public Resources Advisory Group, Los Angeles, California, as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Series 2020C Senior Notes. Except with respect to certain debt service numbers supplied by the Municipal Advisor and included in this Official Statement, the Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Certain fees of the Municipal Advisor are contingent upon the issuance and delivery of the Series 2020C Senior Notes.

CONTINUING DISCLOSURE

At the time of issuance of the Series 2020C Senior Notes, the City, acting by and through the Board, will execute a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), which will provide for disclosure obligations on the part of the Harbor Department. Under the Continuing Disclosure Certificate, the City, acting by and through the Board, will covenant for the benefit of Owners and Beneficial Owners of the Series 2020C Senior Notes to provide certain financial information and operating data relating to the Board, the

Harbor Department and the Port by April 30 of each year (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Listed Events”). The Annual Reports and the notices of Listed Events will be filed with the MSRB through its EMMA System. Currently the Harbor Department’s Annual Report is filed as part of the City’s required continuing disclosure filings. See “APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants will be made in order to assist the Underwriters in complying with Rule 15c2-12.

The City has not failed in the previous five years to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of enumerated events.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly stated, are set forth as such and not representation of fact. No representation is made that any of the opinions of estimates will be realized. See “INTRODUCTION—Forward-Looking Statements” and “CERTAIN INVESTMENT CONSIDERATIONS—Forward-Looking Statements.”

The foregoing and subsequent summaries or descriptions of provisions of the Series 2020C Senior Notes, the Master Senior Resolution, the Twenty-Fourth Supplemental Senior Resolution, the Fiscal Agent Agreement, the 2014 Subordinate TIFIA Loan Agreement, the Sixteenth Supplemental Senior Resolution and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize and describe all of the provisions thereof, and reference should be made to said documents for full and complete statements of their provisions. Copies of such documents are available for review at the offices of the Harbor Department which are located at Port of Long Beach, 415 West Ocean Boulevard, Long Beach, California 90802, Attention: Managing Director, Finance & Administration, and Director of Finance.

The execution and delivery of this Official Statement has been duly authorized by the Board.

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

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

APPENDIX A

**HARBOR DEPARTMENT OF THE CITY OF LONG BEACH
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR RESOLUTION

The following is a brief summary of certain provisions of the Master Senior Resolution and the Twenty-Fourth Supplemental Resolution not previously discussed in this Official Statement. Such summary is not intended to be definitive, and reference is made to the Master Senior Resolution and the Twenty-Fourth Supplemental Resolution in their entirety for the complete terms thereof. Capitalized terms used in this summary which are not otherwise defined in this Official Statement have the meanings ascribed to such terms in the Master Senior Resolution or the Twenty-Fourth Supplemental Resolution. These summaries incorporate the Master Senior Resolution Amendments, which are described in Appendix E hereto, and which will become effective upon the issuance of the Series 2020 Senior Bonds and the defeasance of the Series 2010 Senior Bonds with the proceeds of the Series 2020 Senior Bonds (if issued).

CERTAIN DEFINITIONS

MASTER SENIOR RESOLUTION

TWENTY-FOURTH SUPPLEMENTAL SENIOR RESOLUTION

APPENDIX C

FORM OF OPINION OF NOTE COUNSEL

[Closing Date]

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E

AMENDMENTS TO MASTER SENIOR RESOLUTION

Pursuant to Resolution No. HD-2762 adopted by the Board on May 5, 2014 (the "Sixteenth Supplemental Senior Resolution"), the City, acting by and through the Board, amended certain provisions of the Master Senior Resolution (the "Master Senior Resolution Amendments"). By the purchase and acceptance of the Series 2020C Senior Notes, the Owners and Beneficial Owners of the Series 2020C Senior Notes are deemed to have consented to the Master Senior Resolution Amendments. The Master Senior Resolution Amendments will become effective upon the issuance of the Series 2020 Senior Bonds and the defeasance of the Series 2010 Senior Bonds with the proceeds of the Series 2020 Senior Bonds (if issued).

The Master Senior Resolution Amendments are set forth in this Appendix E. Additions to the Master Senior Resolution are shown in **bold and double underline** and deletions are shown in ~~strike through~~.

Section 1.02 – Definitions.

The following definitions are to be amended or added to read as follow:

- (a) The definition of "Assumed Debt Service"

"Assumed Debt Service" means, with respect to any Excluded Principal Payment, for any Fiscal Year (or other designated 12-month period) on or after the ~~Excluded Principal Payment~~ date **the Board determines to treat the principal of a Series of Bonds as Excluded Principal Payments,** the sum of the amount of principal and interest which would be payable in each such Fiscal Year (or other designated 12-month period) if that Excluded Principal Payment were amortized for a period specified by the Board (no greater than thirty (30) years from the **stated payment** date of such Excluded Principal Payment) on a substantially level debt service basis, calculated based on a fixed interest rate equal to ~~the rate at which the City, acting by and through the Board, could borrow (as of the time of calculation) for such period, as certified by a certificate of a financial advisor or investment banker delivered to the Board, who may rely conclusively on such certificate, within thirty (30) days of the date of calculation~~ **The Bond Buyer 25-Revenue Bond Index, or any successor or replacement index, for the last week of the month immediately preceding the date of calculation as published in The Bond Buyer, or if that index is no longer published, another similar index selected by the Board;** provided that with respect to any Excluded Principal Payment secured pursuant to a credit or liquidity instrument which, if drawn upon, would create a repayment obligation which has a lien on Revenues on a parity with the lien of the Bonds, Assumed Debt Service shall be the principal and interest which would be payable under the credit or liquidity instrument in the event that the credit or liquidity instrument were drawn upon to pay or purchase all of such Bonds, then Outstanding.

- (b) The definition of "Event of Default"

"Event of Default" has the meaning set forth in Section 10.01A hereof.

- (c) The definition of "Maximum Annual Debt Service"

"Maximum Annual Debt Service" means the greatest amount of principal and interest becoming due and payable on all Bonds in any Fiscal Year including the Fiscal Year in which the calculation is made or any subsequent Fiscal Year; provided, however, that for the purposes of computing Maximum Annual Debt Service:

- (a) Excluded Principal Payments and interest thereon shall be excluded from such calculation and Assumed Debt Service shall be included in such calculation;

(b) if the Bonds are Variable Rate Indebtedness and (i) are secured pursuant to a credit or liquidity instrument ~~which, if drawn upon, could create a repayment obligation which has a lien on Revenues subordinate to the lien of the Bonds;~~ or (ii) are not secured by any credit or liquidity instrument, the interest rate on such Bonds for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to an interest rate calculated, by multiplying 1.20 times the average SIFMA Index for the six-month period ended no more than one month preceding the date of calculation ~~interest rate on the Bonds on the date of calculation or, if such Bonds are not currently Outstanding, 1.20 times the interest rate that such Bonds would bear if they were Outstanding on such date, as certified by a certificate of a financial advisor or investment banker delivered to the Board;~~

~~(c) if the Bonds are Variable Rate Indebtedness and are secured pursuant to a credit or liquidity instrument which, if drawn upon, could create a repayment obligation which has a lien on Revenues on a parity with the lien of the Bonds, the interest rate on such Bonds for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to the greater of the maximum rate on the credit or liquidity instrument and the maximum rate on the Bonds;~~

~~(c)(4)~~ principal and/or interest payments on Bonds shall be excluded (i) to the extent such payments are to be paid from amounts on deposit with the Treasurer, any Fiscal Agent or any other fiduciary in an escrow specifically therefor, ~~and~~ or (ii) to the extent that such interest payments are to be paid from the proceeds of Bonds held by the Treasurer, the Fiscal Agent or any other fiduciary as capitalized interest specifically to pay such interest;

~~(d)(e)~~ in determining the principal amount due in each Fiscal Year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made in accordance with any amortization schedule established for such debt, including any Mandatory Sinking Account Payments or any scheduled redemption or payment of Bonds on the basis of Accreted Value, and for such purpose, the redemption payment or payment of Accreted Value shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Bond; and

~~(e)(f)~~ if any interest rate swap agreement is in effect with respect to, and is payable on a parity with the Bonds to which it relates, no amounts payable under such interest rate swap agreement shall be included in the calculation of Maximum Annual Debt Service unless the sum of (i) interest payable on such Bonds; plus (ii) amounts payable under such interest rate swap agreement; less (iii) amounts receivable under such interest rate swap agreement, are expected to be greater than the interest payable on the Bonds to which it relates, then, in such instance the amount of such payments expected to be made that exceed the interest expected to be paid on the Bonds shall be included in such calculation.

(d) The definition of “Port Facilities” or “Port Facility”

“Port Facilities” or “Port Facility” means a facility or group of facilities or category of facilities which constitute or are part of the Port (excluding privately owned or leased property, except for any portion thereof which is governmentally owned or leased and which is a source of Revenues).

(e) The definition of “Revenue”

“Revenues” means all revenues and all money secured or collected for the benefit of and received by the Board from or arising out of the use or operation of the Port, including, without limitation, all tolls, charges, rentals, compensations or fees required to be paid for services, franchises or licenses, as permitted or required by the Charter or otherwise by law, ordinance or order, to the City

for the operation of any public service utility upon lands and waters under the control and management of the Harbor Department and all investment earnings credited to the Harbor Revenue Fund and not required to be credited to a sub-fund, excepting therefrom **(i) Special Facility Revenues, and (ii)** any revenues arising from any lease, contract or other agreement providing for the drilling for, developing, producing, extracting, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances from the tide and submerged lands granted to the City by the State.

(f) The definition of “SIFMA Index”

“SIFMA Index” means the “SIFMA Municipal Swap Index” for each applicable day as announced by Municipal Market Data. If the SIFMA Index is no longer published, then “SIFMA Index” means another similar index as selected by the Board.

(g) The definition of “Special Facilities” or “Special Facility”

“Special Facilities” or “Special Facility” means, with respect to the Port, a facility or group of facilities or improvements or category of facilities or improvements which are designated as a Special Facility or Special Facilities pursuant to the provisions of Section 6.12 hereof.

(h) The definition of “Special Facilities Revenue”

“Special Facilities Revenue” means the contractual payments and all other revenues derived by or available to or receivable by the Board from a Special Facility, which are pledged to secure Special Facility Obligations.

(i) The definition of “Special Facility Obligations”

“Special Facility Obligations” means bonds or other debt instruments issued pursuant to a resolution, indenture or other agreement, other than this Master Resolution, to finance Special Facilities and which, except as otherwise provided in Section 6.12 hereof, are not secured by nor payable from a lien on and pledge of the Revenues but which are secured by revenues derived from Special Facilities located at the Port.

(j) The definition of “United States Bankruptcy Code”

“United States Bankruptcy Code” means Title 11 U.S.C., Section 101 et seq., as amended or supplemented from time to time, or any successor federal act.

Section 6.12 – Special Facilities and Special Facility Obligations.

Section 6.12 will be added to the Master Senior Resolution.

Section 6.12. Special Facilities and Special Facility Obligations. The City, acting by and through the Board, shall be permitted to designate new or existing Port Facilities as Special Facilities as permitted in this Section 6.12. The City, acting by and through the Board, may, from time to time, and subject to the terms and conditions of this Section 6.12, (a) designate a separately identifiable existing facility or improvement or planned facility or improvement as a “Special Facility,” (b) pursuant to a resolution, indenture or other agreement, other than this Master Resolution and without a pledge of any Revenues (except as otherwise provided in (d) below), incur debt primarily for the purpose of acquiring, constructing, renovating or improving or providing financing or refinancing to a third party to acquire, construct, renovate or improve,

such facility or improvement, (c) provide that the contractual payments derived from or related to such Special Facility, together with other income and revenues available to the Board from such Special Facility to the extent necessary to make the payments required by clause (1) of the second succeeding paragraph, be “Special Facilities Revenue” and not included as Revenues, unless otherwise provided in any Supplemental Resolution, and (d) provide that the debt so incurred shall be a “Special Facility Obligation” and the principal of and interest thereon shall be payable solely from the Special Facilities Revenue and the proceeds of such Special Facility Obligation set aside exclusively to pay debt service on such Special Facility Obligation (except the Board may, in its sole discretion, determine to make Revenues or such other moneys not included in Revenues available (through a specific pledge or otherwise and subject to any covenants or other provisions of this Master Resolution (including, but not limited to, Sections 3.02, 6.10 and 6.11 hereof) or such other resolutions, indentures or agreements of the Board) to the payment of the principal of and interest on such Special Facility Obligation in such amounts and at such times as may be agreed to by the Board). The City, acting by and through the Board, may from time to time refinance any such Special Facility Obligations with other Special Facility Obligations.

Special Facility Obligations shall be payable as to principal, redemption premium, if any, and interest solely from (i) Special Facilities Revenue, which shall include contractual payments derived by the Board under and pursuant to a contract (which may be in the form of a lease) relating to a Special Facility by and between the City, acting by and through the Board, and another Person, either public or private, as shall undertake the operation of a Special Facility, (ii) proceeds of such Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations, if any, and (iii) such Revenues or other moneys not included in Revenues made available by the Board as provided in clause (d) of the previous paragraph, if any.

No Special Facility Obligations shall be issued by the City, acting by and through the Board, unless there shall have been filed with each Fiscal Agent a certificate of the President of the Board or the Executive Director stating that:

(1) _____ The estimated Special Facilities Revenue pledged to the payment of the Special Facility Obligations, the proceeds of such Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations, if any, and such Revenues or other moneys made available by the Board pursuant to clause (d) of the first paragraph of this Section 6.12, if any, will be at least sufficient, to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Board and all sinking fund, reserve or other payments required by the resolution or indenture authorizing the Special Facility Obligations as the same become due; and

(2) _____ With respect to the designation of any separately identifiable existing Port Facilities or Port Facility as a “Special Facility” or “Special Facilities”, the estimated Revenues and Net Revenues, calculated without including the new Special Facilities Revenue, the proceeds of any Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations or any Revenues or other moneys made available by the Board pursuant to clause (d) of the first paragraph of this Section 6.12, if any, and without including any operation and maintenance expenses of the Special Facility as Maintenance Costs, will be sufficient so that the Board will be in compliance with Section 6.10 hereof during each of the first five complete Fiscal Years immediately following the anticipated closing date of such transaction or financing; and

(3) _____ No Event of Default then exists hereunder.

To the extent Special Facilities Revenue received by the Board during any Fiscal Year shall exceed the amounts required to be paid pursuant to clause (1) of the immediately preceding paragraph for such Fiscal Year, such excess Special Facilities Revenue, to the extent not otherwise encumbered or restricted, may constitute Revenues as determined by the Board.

Notwithstanding any other provision of this Section 6.12, at such time as the Special Facility Obligations issued for a Special Facility including Special Facility Obligations issued to refinance Special Facility Obligations are fully paid or otherwise discharged, all revenues of the Board from such facility shall be included as Revenues.

Section 8.01(A) – Amendments Permitted.

The following paragraph will be added immediately following the last paragraph of Section 8.01(A) of the Master Senior Resolution.

For the purposes of this Section 8.01(A), the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the City, acting by and through the Board, may consent to a modification or amendment permitted by this Section 8.01(A) in the manner provided herein and with the same effect as a consent given by the Owner of such Bonds, except that no proof of ownership shall be required; provided, that this provision of Section 8.01(A) shall be disclosed prominently in the offering document, if any, for each Series of Bonds issued pursuant to this Master Resolution, provided that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the offering document prepared in connection with the primary offering of the Bonds of such Series by the City, acting by and through the Board.

ARTICLE X-A – Defaults and Remedies

Article X-A will be added to the Master Senior Resolution.

ARTICLE X-A

DEFAULTS AND REMEDIES

Section 10.01A. Events of Default. Each of the following events shall constitute and is referred to in this Master Resolution as an “Event of Default”:

(a) a failure to pay the principal of or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption; or

(b) a failure to pay any installment of interest on any of the Bonds when such interest shall become due and payable; or

(c) a failure to pay the purchase price of any Bond when such purchase price shall be due and payable upon an optional or mandatory tender date as provided in a Supplemental Resolution; or

(d) a failure by the Board, acting on behalf of the City, to observe and perform any covenant, condition, agreement or provision (other than as specified in paragraphs (a), (b) and (c) of this Section 10.01A) that are to be observed or performed by the Board, on behalf of the City, or the Department and which are contained in this Master Resolution or a Supplemental Resolution, which failure, shall continue for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Board by the Owners of 25% or more of the principal amount of the Bonds then Outstanding, unless the Owners of Bonds in a principal amount not less than the principal amount of Bonds the Owners of which gave such notice, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Owners of such principal amount of Bonds shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Board, on behalf of the City, within such period and is being diligently pursued until such failure is corrected; or

(e) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Chapter 9 of the United States Bankruptcy Code, or other proceedings for relief under any federal or state bankruptcy law or similar law for the relief of debtors are instituted by or against the City or the Department and, if instituted against the City or the Department, said proceedings are consented to or are not dismissed within sixty (60) days after such institution; or

(f) the occurrence of any other Event of Default as is provided in a Supplemental Resolution.

If, on any date on which payment of principal of or interest on the Bonds is due and sufficient moneys are not on deposit with the Fiscal Agent to make such payment, the Fiscal Agent shall give telephonic notice, followed by written confirmation, of such insufficiency to the Department.

Section 10.02A. Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Owners of not less than 25% of the principal amount of the Bonds then Outstanding, including but not limited to a trustee or trustees therefor, shall:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners, and require the Board, on behalf of the City, to carry out any agreements with or for the benefit of the Owners and to perform its duties under the Law or any other law to which it is subject and this Master Resolution and any applicable Supplemental Resolution;

(ii) bring suit upon the Bonds;

(iii) commence an action or suit in equity to require the Board, on behalf of the City, to account as if it were the trustee of an express trust for the Owners;

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners; or

(v) take such other actions as are provided for in the Supplemental Resolution.

(b) Except as otherwise provided in Section 10.10A hereof or in a Supplemental Resolution, a credit facility, a liquidity facility or such other agreement or instrument entered into by the City, acting by and through the Board, in no event, upon the occurrence and continuation of an Event of Default described in Section 10.01A hereof, shall the Owners, a credit facility provider, a liquidity facility provider or any other party have the right to accelerate the payment of principal of and interest on the Bonds Outstanding.

Section 10.03A. Restoration to Former Position. In the event that any proceeding taken by the Owners to enforce any right under this Master Resolution shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Owners, then the City, the Board and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Owners shall continue as though no such proceeding had been taken.

Section 10.04A. Limitation on Right To Institute Proceedings. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on such Bonds, unless Owners of 25% or more of the principal amount of the Bonds then Outstanding shall have given written notice of an Event of Default as hereinabove provided; it being understood and intended that no one or more of the Owners shall have any right in any manner whatever by their action to affect, disturb or prejudice the security of this Master Resolution, or to enforce any right hereunder or under the Bonds, except in the manner herein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners.

Section 10.05A. No Impairment of Right To Enforce Payment. Notwithstanding any other provision to the contrary in this Master Resolution, the right of any Owner to receive payment of the principal of and interest on such Bond or the purchase price thereof, on or after the respective due dates expressed therein and to the extent of the pledge of Revenues and other security provided for the Bonds, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Owner.

Section 10.06A. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth herein to the taking of any remedy to enforce the provisions of this Master Resolution or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section 10.06A.

Section 10.07A. No Waiver of Remedies. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article X-A to the Owners may be exercised from time to time and as often as may be deemed expedient.

Section 10.08A. Application of Moneys. If an Event of Default shall occur and be continuing, all amounts then held or any moneys received by any receiver or by any Owner pursuant to any right given or action taken under the provisions of this Article X-A (which shall

not include moneys provided through a credit facility, which moneys shall be restricted to the specific use for which such moneys were provided), after payment of the costs and expenses of the proceedings resulting in the collection of such moneys by any receiver, shall be applied as follows: (a) first, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the rate per annum as provided in any Supplemental Resolution, as the case may be, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, and (b) second, to the payment to the persons entitled thereto of the unpaid principal amount of any of the Bonds which shall have become due with interest on such Bonds at such rate as provided in a Supplemental Resolution from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Bonds on any particular date determined to be the payment date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section 10.08A, such moneys shall be applied at such times, and from time to time, as each Fiscal Agent shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever a Fiscal Agent shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. A Fiscal Agent shall give notice of the deposit with it of any such moneys and of the fixing of any such date by mail to all Owners and shall not be required to make payment to any Owner until such Bonds shall be presented to such Fiscal Agent for appropriate endorsement or for cancellation if fully paid.

Section 10.09A. Severability of Remedies. It is the purpose and intention of this Article X-A to provide rights and remedies to the Owners, which may be lawfully granted under the provisions of the Law and other applicable law, but should any right or remedy herein granted be held to be unlawful, the Owners shall be entitled, as above set forth, to every other right and remedy provided in this Master Resolution or by applicable law.

Section 10.10A. Additional Events of Default and Remedies. So long as any particular Series of Bonds is Outstanding, the Events of Default and remedies as set forth in this Article X-A may be supplemented with additional events of default and remedies as set forth in a Supplemental Resolution under which such Series of Bonds is issued.

Section 10.12 – Proceedings Constitute Contract.

Section 10.12 of the Master Senior Resolution will be amended

Section 10.12. Proceedings Constitute Contract. The provisions of this Resolution shall constitute a contract between the City, acting by and through the Board, and the Bondholders of such Bonds, and the provisions hereof and thereof shall be enforceable by any Bondholder for the equal benefit and protection of all Bondholders similarly situated by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is now or may hereafter be authorized under the laws of the State in any court of competent jurisdiction.

~~No remedy conferred hereby upon any Bondholder is intended to be exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by the Revenue Bond Law of 1941 or any other law of the State. No waiver of any default or breach of duty or contract by any Bondholder shall affect any subsequent default or breach of duty or contract or shall impair any rights or remedies on said subsequent default or breach. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed as a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Bondholders may be enforced and exercised as often as may be deemed expedient. In case any suit, action or proceeding to reinforce any right or exercise any remedy shall be brought or taken and the Bondholder shall prevail, said Bondholder shall be entitled to receive from the Harbor Revenue Fund reimbursement for reasonable costs, expenses, outlays and attorneys' fees and should said suit, action or proceeding be abandoned, or be determined adversely to the Bondholder then, and in every such case, the City and the Bondholder shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.~~

After the issuance and delivery of the Bonds of any Series, this Resolution shall be irrevocable, but shall be subject to modification to the extent and in the manner provided in this Resolution, but to no greater extent and in no other manner.

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the caption “—General” below has been provided by DTC. Neither the City nor the Board make any representations as to the accuracy or the completeness of such information. The Beneficial Owners of the Series 2020C Senior Notes should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NONE OF THE CITY, THE BOARD OR THE FISCAL AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2020C SENIOR NOTES UNDER THE SENIOR RESOLUTION OR THE FISCAL AGENT AGREEMENT, (C) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE OWNER OF THE SERIES 2020C SENIOR NOTES; (D) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF SERIES 2020C SENIOR NOTES; OR (E) ANY OTHER MATTER REGARDING DTC.

General

DTC will act as securities depository for the Series 2020C Senior Notes. The Series 2020C Senior Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2020 Senior Bond certificate will be issued for each maturity the Series 2020C Senior Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2020C Senior Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020C Senior Notes on DTC’s records. The ownership

interest of each actual purchaser of each Series 2020 Senior Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020C Senior Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2020C Senior Notes, except in the event that use of the book-entry system for the Series 2020C Senior Notes is discontinued.

To facilitate subsequent transfers, all Series 2020C Senior Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020C Senior Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020C Senior Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2020C Senior Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020C Senior Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020C Senior Notes, such as tenders, defaults and proposed amendments to the Series 2020 Senior Bond documents. For example, Beneficial Owners of Series 2020C Senior Notes may wish to ascertain that the nominee holding the Series 2020C Senior Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020C Senior Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2020C Senior Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2020C Senior Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the City or the Fiscal Agent on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Fiscal Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Fiscal Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020C Senior Notes at any time by giving reasonable notice to the City or the Fiscal Agent. Under such circumstances, in the event

that a successor depository is not obtained, certificates representing the Series 2020C Senior Notes are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Series 2020C Senior Notes will be printed and delivered to DTC.

The information in this Appendix F concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but none of the City, the Board, the Harbor Department of the Underwriters take any responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2020C SENIOR NOTES AND WILL NOT BE RECOGNIZED BY THE FISCAL AGENT AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

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RESOLUTION NO. HD-_____

**RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF
THE CITY OF LONG BEACH, CALIFORNIA
AUTHORIZING THE ISSUANCE AND SALE OF
\$[PAR] AGGREGATE PRINCIPAL AMOUNT
OF HARBOR REVENUE SHORT-TERM NOTES OF SAID CITY; AND
PROVIDING THE TERMS AND CONDITIONS OF SAID NOTES**

(TWENTY-FOURTH SUPPLEMENTAL RESOLUTION)

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RESOLUTION NO. HD-_____

**Resolution of the Board of Harbor Commissioners of
The City of Long Beach, California
Authorizing the Issuance and Sale of
\$[PAR] Aggregate Principal Amount
of Harbor Revenue Short-Term Notes of Said City; and
Providing the Terms and Conditions of Said Bonds**

(TWENTY-FOURTH SUPPLEMENTAL RESOLUTION)

WHEREAS, the City of Long Beach (the “*City*”) is a city organized and existing under a charter duly and regularly adopted pursuant to the provisions of the Constitution of the State of California;

WHEREAS, pursuant to Article XII of said charter, the City, acting by and through its Board of Harbor Commissioners (the “*Board*”), is authorized to issue, on behalf of the City, revenue bonds for harbor purposes;

WHEREAS, pursuant to Resolution No. HD-1475 adopted by the Board on November 8, 1989 (together with all amendments, modifications and supplements thereto, the “*Master Resolution*”), the Board has heretofore authorized the issuance of Harbor Revenue Bonds (the “*Bonds*” or “*Senior Bonds*”) on behalf of the City by adoption of supplemental resolutions from time to time, with the payment of the principal, interest on and any redemption premiums thereon being secured by and payable solely from the Revenues (as defined in the Master Resolution) of the Port (as defined in the Master Resolution);

WHEREAS, pursuant to Resolution No. HD-[•] adopted by the Board on January 13, 2020 (“*Resolution No. HD-[•]*”), the Board authorized the issuance and sale of the Series 2020 Senior Notes (as defined in Resolution No. HD-[•]) pursuant to the terms and conditions of the Master Resolution and this Twenty-Fourth Supplemental Resolution (this “*Twenty-Fourth Supplemental Resolution*”);

WHEREAS, on January 14, 2020, pursuant to Resolution No. RES-20-[•], a majority of the members of the City Council approved the issuance of the Series 2020 Senior Notes;

WHEREAS, pursuant to this Twenty-Fourth Supplemental Resolution, the Series 2020 Senior Notes shall be designated as City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C (the “*Series 2020C Senior Notes*”);

WHEREAS, pursuant to the Note Purchase Agreement, dated [•] 2020 (the “*Note Purchase Agreement*”) by Citigroup Global Markets Inc., on behalf of itself and the other Underwriters (as hereinafter defined), and accepted by the City, acting by and through the Board, an executed copy of which has been presented to this Board, the Board agreed to sell and the

Underwriters agreed to purchase the Series 2020C Senior Notes subject to the terms and conditions set forth in the Note Purchase Agreement;

WHEREAS, public interest and necessity require that the Board proceed under Resolution No. HD-[•] and the Master Resolution to issue and sell on behalf of the City, \$[PAR] aggregate principal amount of the Series 2020C Senior Notes, secured by and payable from the Revenues of the Port for the purpose of (a) financing the acquisition, construction and equipping of the Series 2020C Project (as hereinafter defined), (b) funding capitalized interest on the Series 2020C Senior Notes through [•], 202[•], and (c) paying the costs of issuance of the Series 2020C Senior Notes;

WHEREAS, this Twenty-Fourth Supplemental Resolution shall, among other things, set forth the final terms and provisions of the Series 2020C Senior Notes as previously agreed to by the Board and the Underwriters under the Note Purchase Agreement; and

WHEREAS, there has been presented to this Board a form of Fiscal Agent Agreement to be dated the Closing Date (as hereinafter defined) (the “*Fiscal Agent Agreement*”), by and between the City, acting by and through the Board, and U.S. Bank National Association, as fiscal agent (the “*Fiscal Agent*”);

NOW, THEREFORE, the Board of Harbor Commissioners of the City of Long Beach, California, DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01. Twenty-Fourth Supplemental Resolution; Determinations. This Twenty-Fourth Supplemental Resolution is adopted in accordance with the provisions of the Master Resolution and, among other things, sets forth the final terms and provisions of the Series 2020C Senior Notes in accordance with Resolution No. HD-[•] and as previously agreed to by the Board and the Underwriters under the Note Purchase Agreement. The Board hereby ratifies and approves all of the terms and conditions of the Note Purchase Agreement.

The Board hereby determines that the Series 2020C Project and the issuance of the Series 2020C Senior Notes for the purposes of financing the Series 2020C Project, funding capitalized interest on the Series 2020C Senior Notes and paying the costs of issuance of the Series 2020C Senior Notes is advisable from an economic and financial viewpoint. The Board hereby determines that the issuance of the Series 2020C Senior Notes in the principal amount hereinafter authorized is needed to (a) finance the acquisition, construction, improvement, installation and equipping of the Series 2020C Project, as described in Exhibit B attached hereto, (b) pay capitalized interest on the Series 2020C Senior Notes through [•], 202[•], and (c) pay the costs of issuance of the Series 2020C Senior Notes.

Section 1.02. Definitions. All terms which are defined in Section 1.02 of the Master Resolution shall, unless otherwise defined herein, have the same meanings, respectively, in this Twenty-Fourth Supplemental Resolution. Unless the context otherwise requires, the terms defined in this Section 1.02 shall, for all purposes of this Twenty-Fourth Supplemental Resolution and of

any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and the plural forms of any of the terms herein defined. Unless otherwise defined in this Twenty-Fourth Supplemental Resolution, all terms used herein shall have the meanings assigned to such terms in the Master Resolution.

“Administrative Officer to the Board” means the person at a given time who is the administrative officer to the Board (including any person serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position (including, but not limited to, Chief of Staff to the Board or Deputy Chief of Staff to the Board) and the officer or officers succeeding to such position as certified by the Board.

“Authorized Board Representative” means the President of the Board, the Vice President of the Board, the Executive Director, the Managing Director, Finance and Administration or the Director of Finance or such other officer or employee of the Board or the Department or other person which other officer, employee or person has been designated as an Authorized Board Representative by written notice delivered by the President of the Board, the Vice President of the Board, the Executive Director, the Managing Director, Finance and Administration or the Director of Finance.

“Bond Counsel” means such law firm of national standing in the field of public finance selected by the Board.

“Closing Date” means, [●], 2020, the date of delivery of the Series 2020C Senior Notes to the Underwriters against payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended, including regulations, rulings and judicial decisions promulgated thereunder.

“Director of Finance” means the person at a given time who is the director of finance of the Department (including any person serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position and the officer or officers succeeding to such position as certified by the Board.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Executive Director” means the person at a given time who is the executive director of the Department (including any person serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position and the officer or officers succeeding to such position as certified by the Board.

“Fiscal Agent” means U.S. Bank National Association, and any successor appointed in accordance with Article VII of the Master Resolution.

“Fiscal Agent Agreement” means the Fiscal Agent Agreement, dated the Closing Date, by and between the City, acting by and through the Board, and the Fiscal Agent.

“*Interest Payment Date*” means each [•] and [•], commencing [•], 2020, the dates upon which interest on the Series 2020C Senior Notes becomes due and payable.

“*Investment Securities*” means, for purposes of this Twenty-Fourth Supplemental Resolution, the investments set forth in the defined term “Investment Securities” under the Master Resolution, the City’s investment pool maintained by the Treasurer in accordance with the City’s adopted investment policy, and United States Treasury Certificates of Indebtedness, Notes and Bonds-State and Local Government Series; provided, however, all investments in such investment pool meet the requirements of the defined term “Investment Securities” under the Master Resolution.

“*Managing Director, Finance and Administration*” means the person at a given time who is the managing director, finance and administration of the Department (including any person serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position and the officer of officers succeeding to such position as certified by the Board.

“*Master Resolution*” has the meaning given thereto in the third recital paragraph of this Twenty-Fourth Supplemental Resolution.

“*Master Subordinate Resolution*” means Resolution No. HD-2726 adopted by the Board on July 16, 2013, together with all amendments, modifications and supplements thereto.

“*Nominee*” means the nominee of the Securities Depository, which may be the Securities Depository, as determined from time to time pursuant hereto.

“*Note Purchase Agreement*” means the Note Purchase Agreement, dated [•], 2020, by Citigroup Global Markets Inc., on behalf of itself and the other Underwriters, and accepted by the City, acting by and through the Board.

“*Participant*” means those broker-dealers, banks and other financial institutions for which the Securities Depository holds certificates as securities depository.

“*President of the Board*” means the person at a given time who is the president of the Board (including any person serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position and the officer of officers succeeding to such position as certified by the Board.

“*Rebate Requirements*” means the Rebate Requirements set forth in the Tax Compliance Certificate.

“*Record Date*” means for a [•] Interest Payment Date the preceding [•] and for a [•] Interest Payment Date the preceding [•].

“*Representation Letter*” means the Blanket Issuer Letter of Representations dated February 17, 1998 from the City to DTC.

“*Resolution*” means, collectively, the Master Resolution and this Twenty-Fourth Supplemental Resolution.

“*Securities Depository*” means DTC or any successor securities depository appointed by the Board pursuant to Section 2.06 hereof.

“*Series 2020C Capitalized Interest Fund*” means the “City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Capitalized Interest Fund” established and maintained pursuant to Section 4.03 hereof.

“*Series 2020C Construction Fund*” means the “City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Construction Fund” established and maintained pursuant to Section 4.02 hereof.

“*Series 2020C Costs of Issuance Fund*” means the “City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Costs of Issuance Fund” established and maintained pursuant to Section 4.04 hereof.

“*Series 2020C Project*” means the project to be acquired, constructed, improved, installed and equipped with the proceeds of the Series 2020C Senior Notes as described in Exhibit B hereto.

“*Series 2020C Rebate Fund*” means the “City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Rebate Fund” established and maintained pursuant to Section 4.05 hereof.

“*Series 2020C Senior Notes*” means the “City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C,” authorized and issued pursuant to the Master Resolution, as supplemented by this Twenty-Fourth Supplemental Resolution.

[“*Subordinate TIFIA Loan*” means the loan, if any, to be made by the United States Department of Transportation, acting by and through the [Federal Highway Administration][Executive Director of the Build America Bureau], to the City, acting by and through the Board, pursuant to the [Amended and Restated] TIFIA Loan Agreement, dated as of [May 21, 2014][[•], 2020], as the same may be amended or supplemented in accordance with its terms, by and between the City, acting by and through the Board, and the United States Department of Transportation, acting by and through the [Federal Highway Administration][Executive Director of the Build America Bureau].]

“*Tax Compliance Certificate*” means the Tax Compliance Certificate, dated the Closing Date, by the City, acting by and through the Board, as the same may be amended or supplemented in accordance with its terms, with respect to the requirements of Section 103 and Sections 141 through 150 of the Code in connection with the Series 2020C Senior Notes.

“*Twenty-Fourth Supplemental Resolution*” means this Resolution No. HD-_____, adopted by the Board on [•], 2020, and any amendments, modifications or supplements hereto.

“*Underwriters*” means, collectively, Citigroup Global Markets Inc., Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated, or any successors thereto.

“*Vice President of the Board*” means the person at a given time who is the vice president of the Board (including any person serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position and the officer of officers succeeding to such position as certified by the Board.

ARTICLE II

THE SERIES 2020C SENIOR NOTES

Section 2.01. Authorization. The Board hereby authorizes the issuance of the Series 2020C Senior Notes pursuant to the terms of the Resolution. There is hereby created a [twenty-ninth] Series of Bonds issued pursuant to the Law and under the Resolution in the aggregate principal amount of \$[PARA] which Bonds shall be designated as the “City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C” and shall be Current Interest Bonds.

Section 2.02. Terms of the Series 2020C Senior Notes. The Series 2020C Senior Notes shall be issued in registered form only in denominations of \$5,000 or any integral multiple thereof within a maturity and interest rate, and shall be numbered in such manner as the Fiscal Agent determines. The Series 2020C Senior Notes shall, upon initial issuance, be dated the Closing Date and shall bear interest from the Closing Date at the rates set forth below. Additionally, the Series 2020C Senior Notes shall mature on [•], 202[•] in the principal amounts set forth below.

<u>Maturity Date</u> <u>([•])</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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Section 2.03. Interest. The Series 2020C Senior Notes shall bear interest at the rates set forth in Section 2.02 hereof (calculated on the basis of a 360-day year consisting of twelve 30-day months), shall be payable on [•] and [•] of each year (each an “*Interest Payment Date*”) commencing [•], 2020. Each Series 2020C Senior Note shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Series 2020C Senior Note shall bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Series 2020C Senior Note shall bear interest from such succeeding Interest Payment Date, or unless such date of authentication is prior to [•], 2020, in which event such Series 2020C Senior Note shall bear interest from the Closing Date. If interest on the Series 2020C Senior Notes shall be in default, Series 2020C Senior Notes issued in exchange for Series 2020C Senior Notes surrendered for transfer or exchange shall bear interest from the Interest Payment Date to which interest has been paid in full on the Series 2020C Senior Notes surrendered.

Each Series 2020C Senior Note shall bear interest until the principal sum thereof has been paid; provided, however, that if at the maturity date of any Series 2020C Senior Note, funds are available for the payment thereof in full in accordance with the terms of Section 4.06 and Article IX of the Master Resolution, such Series 2020C Senior Note shall then cease to bear interest.

Section 2.04. Place of Payment. Except as otherwise provided in Section 2.06 hereof and the Representation Letter, the principal of the Series 2020C Senior Notes shall be payable in lawful money of the United States of America upon presentation and surrender of such Series 2020C Senior Note at the corporate trust office of the Fiscal Agent in St. Paul, Minnesota. Except as otherwise provided in Section 2.06 hereof and the Representation Letter, interest on the Series 2020C Senior Notes shall be paid by check or draft mailed by first class mail to the persons whose names appear on the registration books of the Fiscal Agent as the registered Owners of such Series 2020C Senior Notes as of the close of business on the Record Date at such persons' addresses as they appear on such registration books, except that an Owner of \$1,000,000 or more in principal amount of Series 2020C Senior Notes may be paid interest by wire transfer to an account in the United States if such Owner makes a written request of the Fiscal Agent at least thirty (30) days preceding any interest payment date specifying the wire transfer instructions for such Owner. Such notice may provide that it will remain in effect for later interest payments until changed or revoked by another written notice. Except as otherwise provided in Section 2.06 hereof and the Representation Letter, payments of default interest shall be paid by check, draft or wire transfer to the Owners as of a special record date to be fixed by the Fiscal Agent, notice of which special record date shall be given to the Owners by the Fiscal Agent not less than ten (10) days prior thereto.

Section 2.05. Form of Series 2020C Senior Notes.

(a) The Series 2020C Senior Notes and the certificate of authentication and registration to be executed thereon shall be in substantially the form set forth as Exhibit A attached hereto. The principal and interest rates of the Series 2020C Senior Notes shall be inserted therein in conformity with Section 2.02 hereof.

(b) The Series 2020C Senior Notes shall be executed in the name and on behalf of the City with the facsimile or manual signature of the President of the Board or the Treasurer, and attested by the facsimile or manual signature of the Administrative Officer to the Board. Notwithstanding the provisions of Section 2.04 of the Master Resolution, the Series 2020C shall not be attested under seal.

Section 2.06. Book-Entry System.

(a) Except as provided in subparagraph (c) of this Section, the registered owner of all of the Series 2020C Senior Notes shall be DTC and the Series 2020C Senior Notes shall be registered in the name of Cede & Co., as nominee for DTC. Payment of principal of or interest on any Series 2020C Senior Note registered in the name of Cede & Co. shall be made by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of Cede & Co. at the address indicated on the Record Date or special record date for Cede & Co. in the registration books of the Fiscal Agent.

(b) The Series 2020C Senior Notes shall be initially issued in the form of separate single authenticated fully registered notes for each separate stated interest rate of the Series 2020C Senior Notes. Upon initial issuance, the ownership of such Series 2020C Senior Notes shall be registered in the registration books of the Fiscal Agent in the name of Cede & Co., as nominee of DTC. The Fiscal Agent and the Board may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2020C Senior Notes registered in its name for the purposes of payment of the principal of or interest on the Series 2020C Senior Notes, giving any notice permitted or required to be given to Bondholders under the Master Resolution or this Twenty-Fourth Supplemental Resolution, registering the transfer of Series 2020C Senior Notes, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the Fiscal Agent nor the Board shall be affected by any notice to the contrary. Neither the Fiscal Agent nor the Board shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2020C Senior Notes under or through DTC or any Participant, or any other person which is not shown on the registration books as being a Bondholder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal of or interest on the Series 2020C Senior Notes; any notice which is permitted or required to be given to Bondholders under the Master Resolution; any consent given or other action taken by DTC as Bondholder; or any other purpose. The Fiscal Agent shall pay all principal of and interest on the Series 2020C Senior Notes only to or “upon the order of” DTC (as that term is used in the Uniform Commercial Code as adopted in the State of California), and all such payments shall be valid and effective to fully satisfy and discharge the Board’s obligations with respect to the principal of and interest on the Series 2020C Senior Notes to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2020C Senior Note evidencing the obligation of the Board to make payments of principal of and interest pursuant to the Master Resolution. Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word “Cede & Co.” in this Twenty-Fourth Supplemental Resolution shall refer to such new nominee of DTC.

(c) In the event the Board determines that it is in the best interest of the beneficial owners that they be able to obtain note certificates, and notifies DTC, and the Fiscal Agent of such determination, then DTC will notify the Participants of the availability through DTC of note certificates. In such event, the Fiscal Agent shall authenticate and shall transfer and exchange note certificates as requested by DTC and any other Bondholders in appropriate amounts. In the event: (i) DTC determines to discontinue providing its services with respect to the Series 2020C Senior Notes at any time by giving notice to the Board and the Fiscal Agent and discharging its responsibilities with respect thereto under applicable law, or (ii) the Board determines that DTC shall no longer so act, and delivers a written certificate to the Fiscal Agent to that effect, and there is no successor Securities Depository named, the Board and the Fiscal Agent shall be obligated to deliver note certificates as described in this Twenty-Fourth Supplemental Resolution. In the event note certificates are issued, the provisions of the Master Resolution and this Twenty-Fourth Supplemental Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates.

Whenever DTC requests the Board and the Fiscal Agent to do so, the Fiscal Agent and the Board will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2020C Senior Notes to any DTC Participant having Series 2020C Senior Notes credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2020C Senior Notes.

(d) Notwithstanding any other provision of the Master Resolution and this Twenty-Fourth Supplemental Resolution to the contrary, so long as any Series 2020C Senior Note is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and interest on such Series 2020C Senior Note and all notices with respect to such Series 2020C Senior Note shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to the Master Resolution and this Twenty-Fourth Supplemental Resolution by the Board or the Fiscal Agent with respect to any consent or other action to be taken by Bondholders, the Board or the Fiscal Agent, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Bondholder.

NEITHER THE CITY, THE BOARD NOR THE FISCAL AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO: THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2020C SENIOR NOTES; THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS; THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE SERIES 2020C SENIOR NOTES.

Section 2.07. Transfers Outside Book-Entry System. In the event (a) the Securities Depository determines not to continue to act as securities depository for the Series 2020C Senior Notes, or (b) the Board determines that the Securities Depository shall no longer so act, and delivers a written certificate to the Fiscal Agent to that effect, then the Board will discontinue the book-entry system with the Securities Depository. If the Board determines to replace the Securities Depository with another qualified securities depository, the Board shall prepare or direct the preparation of a new, single, separate, fully registered Series 2020C Senior Note for each of the interest rates of the Series 2020C Senior Notes, registered in the name of such successor or substitute qualified securities depository or its nominee or make such other arrangement acceptable to the Board and the Securities Depository as are not inconsistent with the terms of this Twenty-Fourth Supplemental Resolution. If the Board fails to identify another qualified securities depository to replace the Securities Depository, then the Series 2020C Senior Notes shall no longer be restricted to being registered in the registration books of the Fiscal Agent in the name of the Nominee, but shall be registered in such authorized denominations and names as the Securities Depository shall designate in accordance with the provisions of Article II of the Master Resolution.

ARTICLE III

NO REDEMPTION OF SERIES 2020C SENIOR NOTES

Section 3.01. No Redemption of Series 2020C Senior Notes. The Series 2020C Senior Notes shall not be subject to redemption prior to their maturity date.

ARTICLE IV

SALE OF SERIES 2020C SENIOR NOTES; APPLICATION; FUNDS; COVENANTS

Section 4.01. Sale of Series 2020C Senior Notes; Application of the Proceeds of the Series 2020C Senior Notes.

(a) The Series 2020C Senior Notes shall be sold to the Underwriters in the manner and on the terms and conditions set forth in the Note Purchase Agreement, and consistent with the terms of Articles II and III hereof.

(b) The proceeds of the sale of the Series 2020C Senior Notes in the amount of \$[•] (which sum represents the par amount of the Series 2020C Senior Notes of \$[PAR].00, plus an original issue premium of \$[•], less an underwriters' discount of \$[•]), shall be deposited with the Treasurer (or with such other parties as may be directed by the Treasurer) and shall be held in trust and set aside by the Treasurer as follows:

(i) The Treasurer shall deposit or cause to be deposited \$[•] into the Series 2020C Construction Fund, established and maintained pursuant to Section 4.02 hereof.

(ii) The Treasurer shall deposit or cause to be deposited \$[•] into the Series 2020C Capitalized Interest Fund established and maintained pursuant to Section 4.03 hereof.

(iii) The Treasurer shall deposit or cause to be deposited \$[•] into the Series 2020C Costs of Issuance Fund established and maintained pursuant to Section 4.04 hereof.

(c) The Treasurer may, in its discretion, establish a temporary fund or account on its books and records to facilitate such transfers and is hereby authorized to make any necessary adjustments in the amounts to be deposited in the funds and accounts described in this Article IV required by Bond Counsel on the Closing Date.

Section 4.02. Establishment and Application of Series 2020C Construction Fund.

(a) The Treasurer shall establish, maintain and hold in trust a separate fund designated as the "City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Construction Fund" (the "*Series 2020C Construction Fund*").

(b) (i) The moneys in the Series 2020C Construction Fund shall be held by the Treasurer in trust and applied, at the direction of an Authorized Board Representative, to the costs of acquisition, construction, expansion, improvement, installation and equipping of the Series 2020C Project and the expenses incident thereto or connected therewith, including, if necessary, reimbursement to the Department for expenses incurred prior to the issuance of the Series 2020C Senior Notes.

(ii) The Treasurer shall keep a record of all payments from the Series 2020C Construction Fund, which record shall state: (A) the item number of such payment; (B) the name and address of the person to whom each such payment is due, which may be the Department in the case of reimbursement for costs theretofore paid by the Board; (C) the respective amounts to be paid; and (D) the purpose by general classification for which each obligation to be paid was incurred.

(iii) Moneys held in the Series 2020C Construction Fund shall be invested and reinvested by the Treasurer in Investment Securities. Earnings on the Series 2020C Construction Fund shall be retained in the Series 2020C Construction Fund and utilized to pay for the Series 2020C Project or for other lawful uses so long as the Board first obtains an Opinion of Bond Counsel to the effect that the Board's intended use of such balance is a lawful purpose for which such proceeds may be used under the Law and such use will not adversely affect the exclusion of interest on the Series 2020C Senior Notes from gross income for federal income tax purposes.

(iv) The completion of the Series 2020C Project shall be evidenced by the filing with the Treasurer of a certificate of an Authorized Board Representative stating either (A) the date of completion of the Series 2020C Project and the amount, if any, required in the opinion of such Authorized Board Representative for the payment of any remaining part of the costs of the Series 2020C Project or (B) that all amounts in such fund have been disbursed or expenses in respect thereof have been incurred. Any amount remaining in the Series 2020C Construction Fund following the delivery of such certificate, or upon the determination of the Board not to proceed with the Series 2020C Project, may, at the determination of the Board, be applied upon written requisition of an Authorized Board Representative to any other lawful purpose designated in such requisition and for which purpose such proceeds may be used under the Law. As a condition to the disbursement of funds under the provisions of the prior sentence, there shall be delivered to the Board and the Treasurer with the requisition an Opinion of Bond Counsel that the purpose for which such funds are to be used is a lawful purpose for which such proceeds may be used under the Law and that such use shall not result in the inclusion of interest on any Series 2020C Senior Notes in gross income of the recipient thereof for federal income tax purposes.

Section 4.03. Establishment and Application of the Series 2020C Capitalized Interest Fund.

(a) The Treasurer shall establish, maintain and hold in trust a separate fund designated as the “City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Capitalized Interest Fund” (the “*Series 2020C Capitalized Interest Fund*”).

(b) Moneys in the Series 2020C Capitalized Interest Fund shall be used by the Treasurer to pay interest on the Series 2020C Senior Notes on the Interest Payment Dates and in the amounts set forth in Exhibit C attached hereto, and, in order to make such payments, such moneys shall be transferred from the Series 2020C Capitalized Interest Fund to the Interest Account of the Bond Service Fund at the times and in the amounts set forth in Exhibit C attached hereto.

(c) Moneys held in the Series 2020C Capitalized Interest Fund shall be invested and reinvested by the Treasurer in Investment Securities. All investment earnings on amounts held in the Series 2020C Capitalized Interest Fund shall be retained in the Series 2020C Capitalized Interest Fund and utilized to pay interest on the Series 2020C Senior Notes.

(d) Once all moneys, including earnings thereon, have been transferred from the Series 2020C Capitalized Interest Fund to the Interest Account of the Bond Service Fund, the Series 2020C Capitalized Interest Fund shall be closed.

Section 4.04. Establishment and Application of Series 2020C Costs of Issuance Fund.

(a) The Treasurer shall establish, maintain and hold in trust a separate fund designated as the “City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Costs of Issuance Fund” (the “*Series 2020C Costs of Issuance Fund*”). The moneys in the Series 2020C Costs of Issuance Fund shall be used and withdrawn by the Treasurer, at the direction of an Authorized Board Representative, to pay the Costs of Issuance of the Series 2020C Senior Notes.

(b) The Treasurer shall keep a record of all payments from the Series 2020C Costs of Issuance Fund, which record shall state: (i) the requisition number of such payment; (ii) the name and address of the person to whom each such payment was made, (iii) the respective amounts paid; and (iv) the purpose by general classification for which each obligation paid was incurred.

(c) Moneys held in the Series 2020C Costs of Issuance Fund shall be invested and reinvested by the Treasurer in Investment Securities. All investment earnings on amounts held in the Series 2020C Costs of Issuance Fund shall be deposited to the Series 2020C Construction Fund and utilized pursuant to Section 4.02 hereof. Any amounts remaining in the Series 2020C Costs of Issuance Fund on [●], 2020 shall be transferred to the Series 2020C Construction Fund, and utilized pursuant to Section 4.02 hereof, and the Series 2020C Costs of Issuance Fund shall be closed.

Section 4.05. Establishment and Application of Series 2020C Rebate Fund.

(a) The Treasurer shall establish, maintain and hold a fund separate from any other fund established and maintained hereunder or under the Master Resolution designated as the “City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Rebate Fund” (the “*Series 2020C Rebate Fund*”). Within the Series 2020C Rebate Fund, the Treasurer shall maintain such accounts as shall be necessary in order to comply with the terms and requirements of the Tax Compliance Certificate. All money at any time deposited in the Series 2020C Rebate Fund shall be held by the Treasurer for the account of the Department, on behalf of the City, in trust, to the extent required to satisfy the applicable Rebate Requirement, for payment to the federal government of the United States of America, and neither the City nor the Owner of any Series 2020C Senior Notes shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Series 2020C Rebate Fund shall be governed by this Twenty-Fourth Supplemental Resolution and by the Tax Compliance Certificate (which is incorporated herein by reference). The City, acting by and through the Board, hereby covenants to comply with the directions contained in the Tax Compliance Certificate.

(b) Pursuant to the Tax Compliance Certificate, the Treasurer shall or shall cause to transfer from funds and accounts maintained under the Resolution such amounts so that the balance in the Series 2020C Rebate Fund on deposit shall be equal to the applicable Rebate Requirement. The Treasurer shall compute the applicable Rebate Requirement, or cause the same to be computed, in accordance with the Tax Compliance Certificate.

(c) The Treasurer shall invest all amounts held in the Series 2020C Rebate Fund, in accordance with the Tax Compliance Certificate. Moneys shall not be transferred from the Series 2020C Rebate Fund except in accordance with the Tax Compliance Certificate.

(d) Notwithstanding any other provision of the Master Resolution, including in particular Article IX of the Master Resolution, the obligation to remit the applicable Rebate Requirement to the federal government of the United States of America and to comply with all other requirements of this Section and the Tax Compliance Certificate shall survive the defeasance or payment in full of the Series 2020C Senior Notes.

(e) The Board shall or shall cause to retain all records with respect to the calculations and instructions required by this Section for at least four years after the date on which the last of the principal of and interest on the Series 2020C Senior Notes has been paid, whether upon maturity or acceleration thereof.

Section 4.06. Tax Covenants.

(a) In order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2020C Senior Notes, the Board hereby covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code and the Board agrees to execute, deliver and comply with the provisions of the

Tax Compliance Certificate. An Authorized Board Representative, any one or more thereof, is hereby authorized, empowered and directed to execute, acknowledge and deliver the Tax Compliance Certificate including counterparts thereof, in the name and on behalf of the Board. The Tax Compliance Certificate shall contain such terms, provisions, representations and covenants as shall be required in order to assure that interest paid on the Series 2020C Senior Notes will not be included in gross income for federal income tax purposes. From and after the execution and delivery of the Tax Compliance Certificate, the officers, agents and employees of the Board and the Department are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Tax Compliance Certificate.

(b) The Board shall not use or permit the use of any proceeds of the Series 2020C Senior Notes or any other funds of the Board held by the Treasurer under this Twenty-Fourth Supplemental Resolution, attributable to the Series 2020C Senior Notes, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Board or the Treasurer with respect to the Series 2020C Senior Notes in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Series 2020C Senior Note to be “federally guaranteed” within the meaning of Section 149(b) of the Code or an “arbitrage bond” within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder and under Section 103(c) of the Code. The Board shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. In the event the Board is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Treasurer or to use such money in certain manners, in order to avoid the Series 2020C Senior Notes from being considered “arbitrage bonds” within the meaning of Section 148 of the Code and the regulations thereunder as such may be applicable to the Series 2020C Senior Notes at such time, the Board shall issue to the Treasurer a certificate to such effect together with appropriate instructions, in which event the Treasurer shall take such action as it is directed to take to use such money in accordance with such certificate and instructions, irrespective of whether the Treasurer shares such opinion.

(c) The Board shall at all times do and perform all acts and things permitted by law and this Twenty-Fourth Supplemental Resolution which are necessary or desirable in order to assure that interest paid on the Series 2020C Senior Notes will not be included in gross income for federal income tax purposes and shall take no action that would result in such interest being included in gross income for federal income tax purposes.

(d) Notwithstanding any provision of Section 4.05 hereof or this Section to the contrary, if the Board shall receive an Opinion of Bond Counsel to the effect that any action required under Section 4.05 hereof and/or this Section hereof is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Series 2020C Senior Notes pursuant to Section 103 of the Code, the Board and the Treasurer may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

(e) The Board hereby covenants and agrees that it will comply with and carry out all of the provisions of the Tax Compliance Certificate.

ARTICLE V

FISCAL AGENT AND FISCAL AGENT AGREEMENT

U.S. Bank National Association is hereby appointed as Fiscal Agent with respect to the Series 2020C Senior Notes. The Fiscal Agent shall signify its acceptance of its duties hereunder by executing and delivering to the Board, on behalf of the City, a written acceptance in the form of the Fiscal Agent Agreement, in which the Fiscal Agent agrees to perform said duties and obligations as set forth in the Master Resolution and this Twenty-Fourth Supplemental Resolution. The form, terms and provisions of the Fiscal Agent Agreement are in all respects approved, and an Authorized Board Representative, any one or more thereof, is hereby authorized, empowered and directed to execute, acknowledge and deliver the Fiscal Agent Agreement including counterparts thereof, in the name and on behalf of the Board. The Fiscal Agent Agreement, as executed and delivered, shall be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officer or officers of the Board and the Department executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Fiscal Agent Agreement now before this meeting; and from and after the execution and delivery of the Fiscal Agent Agreement, the officers, agents and employees of the Board and the Department are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Fiscal Agent Agreement.

ARTICLE VI

ADDITIONAL AUTHORIZATIONS

Each Authorized Board Representative and all officers, agents and employees of the Board, for and on behalf of the Board, be and they hereby are authorized and directed to do any and all things necessary to effect the execution and delivery of the Series 2020C Bonds and to carry out the terms thereof. Each Authorized Board Representative and all other officers, agents and other employees of the Board are further authorized and directed, for and on behalf of the Board, to execute all papers, documents and certificates that may be required in order to carry out the authority conferred by this Twenty-Fourth Supplemental Resolution and by the Master Resolution. The foregoing authorization includes, but is in no way limited to, each Authorized Board Representative having the authority on behalf of the Board to update and delivery a final official statement with respect to the Series 2020C Senior Notes prior to the closing and approve, execute and deliver, if necessary, any documents required by DTC in connection with the book-entry bonds.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Series 2020C Senior Notes Subject to the Master Resolution. The Series 2020C Senior Notes are being issued under and subject to the terms of the Master Resolution and will be secured and payable from Revenues and other security as provided for in the Master Resolution and this Twenty-Fourth Supplemental Resolution. Except as expressly provided in this Twenty-Fourth Supplemental Resolution, every term and condition contained in the Master Resolution shall apply to this Twenty-Fourth Supplemental Resolution and to the Series 2020C Senior Notes with the same force and effect as if it were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Twenty-Fourth Supplemental Resolution.

[The Board hereby expressly reserves the right to (but is in no way obligated to) use all or a portion of the proceeds from the Subordinate TIFIA Loan, if any, to pay all or a portion of the principal of the Series 2020C Senior Notes at maturity.]

Section 7.02. Excluded Principal Payments. The Board hereby determines that for purposes of the Master Resolution the principal of the Series 2020C Senior Notes shall be Excluded Principal Payments, as the Board intends that the principal of the Series 2020C Senior Notes shall not be paid with Revenues but shall be paid from future debt obligations of the City, acting by and through the Board (including, but not limited to, all or a portion of the proceeds of the Subordinate TIFIA Loan). For purposes of calculating Assumed Debt Service (as defined in the Master Resolution) and/or Assumed Debt Service (as defined in the Master Subordinate Resolution), such Excluded Principal Payments shall be amortized over a thirty (30) year period commencing on [•], 202[•].

Section 7.03. Severability of Invalid Provisions. If any one or more of the provisions contained in this Twenty-Fourth Supplemental Resolution or in the Series 2020C Senior Notes shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Twenty-Fourth Supplemental Resolution and such invalidity, illegality or unenforceability shall not affect any other provision of this Twenty-Fourth Supplemental Resolution, and this Twenty-Fourth Supplemental Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Board hereby declares that it would have adopted this Twenty-Fourth Supplemental Resolution and each and every other Article, Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Series 2020C Senior Notes pursuant thereto irrespective of the fact that any one or more Articles, Sections, paragraphs, sentences, clauses or phrases of this Twenty-Fourth Supplemental Resolution may be held illegal, invalid or unenforceable.

Section 7.04. Article and Section Headings and References; Interpretation. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Twenty-Fourth Supplemental Resolution.

All references herein to “Article,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Twenty-Fourth Supplemental Resolution; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Twenty-Fourth Supplemental Resolution as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 7.05. Governing Law. This Twenty-Fourth Supplemental Resolution shall be construed and governed in accordance with the laws of the State of California.

Section 7.06. Effective Date of Resolution. This Twenty-Fourth Supplemental Resolution shall take effect immediately upon its adoption by the Board, and the Secretary of the Board shall certify to the vote adopting this Twenty-Fourth Supplemental Resolution and shall cause a certified copy of this Twenty-Fourth Supplemental Resolution to be filed forthwith with the City Clerk of the City of Long Beach (the “*City Clerk*”). The City Clerk shall post this Twenty-Fourth Supplemental Resolution in three conspicuous places in the City.

[Remainder of page intentionally left blank.]

I hereby certify that the foregoing resolution was adopted by the Board of Harbor Commissioners of the City of Long Beach at its meeting of [●], 2020 by the following vote:

Ayes:	Commissioners	_____

Noes:	Commissioners	_____
Absent:	Commissioners	_____
Not Voting:	Commissioners	_____

Secretary, Board of Harbor Commissioners of
the City of Long Beach, California

EXHIBIT A

FORM OF SERIES 2020C SENIOR NOTE

UNITED STATES OF AMERICA

No. R-____

\$_____

CITY OF LONG BEACH, CALIFORNIA
HARBOR REVENUE SHORT-TERM NOTE
SERIES 2020C

[UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE SECURITIES DEPOSITORY (AS DEFINED IN THE HEREINAFTER DEFINED MASTER RESOLUTION) TO THE FISCAL AGENT FOR REGISTRATION, TRANSFER, EXCHANGE, OR PAYMENT, AND ANY SERIES 2020C Senior Note ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE SECURITIES DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE SECURITIES DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
_____ %	[•], 202[•]	[•], 2020	542424_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

THE CITY OF LONG BEACH, a municipal corporation and chartered city situated in the County of Los Angeles, State of California (the “City”), acting by and through its Board of Harbor Commissioners (hereinafter called the “Board”), FOR VALUE RECEIVED, hereby promises to pay, solely from Revenues, as hereinafter provided, to the registered owner named above, or registered assigns, on the maturity date set forth above, the principal amount set forth above, and to pay interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) on such principal amount from the Interest Payment Date (as defined in the hereinafter defined Twenty-Fourth Supplemental Resolution) before the date of authentication hereof (unless this Note is authenticated during the period after a Record Date (as defined in the Twenty-Fourth Supplemental Resolution) but on or before the next Interest Payment Date, in which event this Note shall bear interest from that Interest Payment Date, or unless this Note is authenticated prior to the first Record Date, in which event this Note shall bear interest from the Original Issue Date (as set forth above), or unless at the time of authentication interest is in default, in which event it shall bear interest from the Interest Payment Date to which interest has been paid or provided for)

semiannually on each [•] and [•], commencing on [•], 2020, at the interest rate set forth above, until the principal amount hereof is paid or made available for payment.

Except if this Note is a book-entry obligation, the principal of this Note is payable to the registered holder hereof in lawful money of the United States of America upon presentation and surrender of this Note at the principal corporate trust office of U.S. Bank National Association in St. Paul, Minnesota (the “Fiscal Agent”). Except if this Note is a book-entry obligation, interest on this Note shall be paid by check or draft of the Fiscal Agent mailed to the registered holder hereof as of the close of business on the first day of the month in which an Interest Payment Date occurs at such registered holder’s address as it appears on the registration books maintained by the Fiscal Agent, except that a registered holder of \$1,000,000 or more in principal amount of the Series 2020C Senior Notes may be paid interest by wire transfer to an account in the United States if such registered owner makes a written request of the Fiscal Agent at least 30 days preceding any Interest Payment Date specifying the account address. Such notice may provide that it will remain in effect for later interest payments until changed or revoked by another written notice.

This Note is one of a duly authorized issue of “City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C” (the “Series 2020C Senior Notes”) issued in the aggregate principal amount of \$[PAR] pursuant to Article XII of the City Charter, Title 3, Chapter 3.52, Division I of the Municipal Code of the City, certain provisions of the Revenue Bond Law of 1941, Section 54300 et seq., of the Government Code of the State of California (said Article of the Charter, said provisions of the Municipal Code of the City and said provisions of the Government Code are referred to herein as the “Law”), Resolution No. HD-1475 adopted by the Board on November 8, 1989, as amended and supplemented (the “Master Resolution”), and Resolution No. HD-_____ adopted by the Board on [•], 2020 (the “Twenty-Fourth Supplemental Resolution”) (the Master Resolution as supplemented and amended and as further supplemented by the Twenty-Fourth Supplemental Resolution is referred to herein as the “Resolution”). The Series 2020C Senior Notes are being issued to provide funds to: (a) finance the acquisition, construction and equipping of the Series 2020C Project (as defined in the Twenty-Fourth Supplemental Resolution), (b) fund capitalized interest on the Series 2020C Senior Notes, and (c) pay the costs of issuing the Series 2020C Senior Notes.

Reference is hereby made to the Resolution, the Law and the Fiscal Agent Agreement, dated [•], 2020 (the “Fiscal Agent Agreement”) by and between the City, acting by and through the Board, and the Fiscal Agent for a description of the terms on which the Series 2020C Senior Notes are issued and to be issued, the provisions with regard to the nature and extent of the Revenues, and all of the terms of the Resolution, the Law and the Fiscal Agent Agreement are hereby incorporated herein and constitute a contract between the City, acting by and through the Board, and the registered owner from time to time of this Note, and by acceptance hereof the registered holder of this Note assents to said terms and conditions. The Resolution is adopted under, the Fiscal Agent Agreement is executed and delivered and this Note is issued under, and all are to be construed in accordance with the laws of the State of California. All capitalized terms not defined herein shall have the meanings set forth in the Resolution.

The Series 2020C Senior Notes are special limited obligations of the City payable from and secured by a pledge of and a lien and charge upon the Revenues on a parity with all Bonds and all other debt incurred and payable from Revenues on a parity with the Bonds. The principal

of and interest on the Series 2020C Senior Notes are not a debt of 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 Revenues. The general fund of the City is not liable for the payment of the Series 2020C Senior Notes or their interest, nor is the credit or the taxing power of the City pledged therefor. The registered holder hereof 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.

The Series 2020C Senior Notes are payable as to principal and interest thereof, exclusively from the Revenues and other funds pledged to the payment thereof under the Resolution.

As used herein, “Revenues” means all revenues, and all money secured or collected for the benefit of and received by the Board from or arising out of the use or operation of the Port, including, without limitation, all tolls, charges, rentals, compensations or fees required to be paid for services, franchises or licenses, as permitted or required by the Charter or otherwise by law or ordinance or order, to the City for the operation of any public service utility upon lands and waters under the control and management of the Department and all investment earnings credited to the Harbor Revenue Fund (created by the law) and not required to be credited to a subfund, excepting therefrom (i) Special Facility Revenues, and (ii) any revenues arising from any lease, contract or other agreement providing for the drilling for, developing, producing, extracting, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances from the tide and submerged lands granted to the City by the State. As used herein, “Port” means the entire harbor system subject to and under the jurisdiction of the Board as defined in the Charter, and including, without limitation, all harbor or port improvements, work, utilities, appliances, facilities and water craft, owned, controlled or operated by the City in or upon or pertaining to the waterfront or navigable waters of the City as such system now exists together with all additions acquired, constructed or financed with surplus funds or funds derived from the sale of indebtedness authorized by the Master Resolution or any subsequent resolution of the Board, together with all improvements and extensions to said system later constructed or acquired. As used herein, “Revenue Bonds” means, the Series 2020C Senior Notes; [the City of Long Beach, California Harbor Revenue Bonds, Series 2010A; the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2010B;] the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2014B; the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015A; the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015B; the City of Long Beach, California Harbor Revenue Bonds, Series 2015C; the City of Long Beach, California Harbor Revenue Bonds, Series 2015D; the City of Long Beach, California Harbor Revenue Bonds, Series 2017A; the City of Long Beach, California Harbor Revenue Bonds, Series 2017B; the City of Long Beach, California Harbor Revenue Bonds, Series 2017C; the City of Long Beach, California Harbor Revenue Refunding Short-Term Notes, Series 2018A; the City of Long Beach, California Harbor Revenue Bonds, Series 2019A; the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT); the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT)]; and any additional Bonds issued in accordance with the Resolution.

The Series 2020C Senior Notes shall not be subject to redemption prior to their respective maturity dates.

This Note may be transferred without charge upon the register required to be kept by the Fiscal Agent, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of this Note for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Fiscal Agent. Whenever any Series 2020C Senior Note is surrendered for transfer, the City shall execute and the Fiscal Agent shall authenticate and deliver a new Series 2020C Senior Note or Notes, of the same tenor and maturity and for a like aggregate principal amount. This Note may be exchanged without charge at the corporate trust office of the Fiscal Agent in St. Paul, Minnesota for Series 2020C Senior Notes of authorized denominations having the same aggregate principal amount, tenor and maturity. The Fiscal Agent may require the holder of any Series 2020C Senior Note requesting transfer of registration or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer of registration or exchange.

The rights and obligations of the City, the Board, the Fiscal Agent and of the owners of the Series 2020C Senior Notes may be modified or amended from time to time in the manner, to the extent and upon the terms provided in the Resolution, provided that no such modification or amendment shall extend the fixed maturity of this Note, or reduce the amount of principal hereof, or extend the time of payment of this Note, or reduce the rate of interest hereon, or extend the time of payment of interest hereon, without the consent of the owner hereof, or reduce the percentage of Series 2020C Senior Notes the consent of the holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Resolution prior to or on a parity with the lien created by the Resolution, or deprive the holders of the Series 2020C Senior Notes of the lien created by the Resolution on such Revenues and other assets, without the consent of the holders of all of the Series 2020C Senior Notes then outstanding.

This Note shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been executed and dated by the Fiscal Agent.

[All Owners and beneficial owners of this Note, by their purchase and acceptance of this Note, shall be deemed to have consented to the amendments to the Master Resolution set forth in Article III of Resolution No. HD-2762, adopted by the Board on May 5, 2014.]

It is hereby certified and recited that any and all acts, conditions and things required to exist, to have happened and to have been performed precedent to and in the issuance of this Note do exist, have happened, and have been performed in due time, form and manner as required by the Constitution and laws of the State of California and that this Note, together with all other indebtedness of the City does not exceed any limit prescribed by the Constitution and laws of the State of California and the Charter of the City and is not issued under the Resolution.

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 attested by the Administrative Officer to the Board as of the Original Issue Date specified above.

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

ATTESTED

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

**FISCAL AGENT'S CERTIFICATE OF
AUTHENTICATION AND REGISTRATION**

This Note is one of the Series 2020C Senior Notes delivered pursuant to the within mentioned Resolution.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION, as Fiscal
Agent

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

the within-mentioned registered Series 2020C Senior Note and hereby irrevocably constitute(s) and appoint(s)

attorney, to transfer the same on the books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Series 2020C Senior Note in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed by:

Note: Signature must be guaranteed by an Eligible Guarantor Institution.

EXHIBIT B

SERIES 2020C PROJECT

Gerald Desmond Bridge Replacement Project - construction of a replacement bridge for the existing Gerald Desmond Bridge located at the Port of Long Beach.

EXHIBIT C

**SCHEDULE OF WITHDRAWALS FROM
SERIES 2020C CAPITALIZED INTEREST FUND**

<u>Interest Payment Date</u>	<u>Amount to Withdraw and Transfer to Interest Account</u>
-------------------------------------	---

All remaining amounts on
deposit in the Fund

TRUSTEE SERVICES AGREEMENT

by and between

CITY OF LONG BEACH, CALIFORNIA

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Relating to:

**§[PARA]
City of Long Beach, California
Harbor Revenue Short-Term Notes
Series 2020C**

Dated [•], 2020

TRUSTEE SERVICES AGREEMENT

THIS TRUSTEE SERVICES AGREEMENT, dated [•] ,2020 (this “*Agreement*”), is made by and between the **CITY OF LONG BEACH, CALIFORNIA** (the “*City*”) and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as trustee (the “*Trustee*”).

WITNESSETH:

WHEREAS, the City is a city organized and existing under a charter duly and regularly adopted pursuant to the provisions of the Constitution of the State of California;

WHEREAS, pursuant to Article XII of said charter, the City, acting by and through its Board of Harbor Commissioners (the “*Board*”), is authorized to issue, on behalf of the City, revenue bonds for harbor purposes;

WHEREAS, pursuant to Resolution No. HD-1475 adopted by the Board on November 8, 1989 (together with all amendments, modifications and supplements thereto, the “*Master Resolution*”), the Board has heretofore authorized the issuance of Bonds (as defined in the Master Resolution) on behalf of the City by adoption of supplemental resolutions from time to time, with the payment of the principal, interest on and any redemption premiums thereon being secured by and payable solely from the Revenues (as defined in the Master Resolution) of the Port (as defined in the Master Resolution);

WHEREAS, on the date hereof, the City, acting by and through the Board, issued \$[PAR] aggregate principal amount of its City of Long Beach, California, Harbor Revenue Short-Term Notes, Series 2020C (the “*Series 2020C Senior Notes*”), pursuant to Article XII of the Charter of the City, Title 3, Chapter 3.52, Division I of the Municipal Code of the City, certain provisions of the Revenue Bond Law of 1941, Section 54300, et seq., of the Government Code of the State of California, the Master Resolution, and Resolution No. HD-[•] adopted by the Board on [•], 2020 (the “*Twenty-Fourth Supplemental Resolution*”);

WHEREAS, pursuant to the Master Resolution and the Twenty-Fourth Supplemental Resolution, the Board has directed the Treasurer of the City (the “*Treasurer*”) to establish, maintain and hold in trust certain funds and accounts in connection with the issuance of the Series 2020C Senior Notes;

WHEREAS, the Board adopted Resolution No. HD-1940 on November 2, 1998 (the “*Sixth Supplemental Resolution*”) which authorizes the Treasurer to contract with third party trustees to act as agents to the Treasurer to maintain and hold in trust certain funds and accounts (except the Harbor Revenue Fund) presently under the custody and control of the Treasurer with respect to any series of outstanding Bonds, including the Series 2020C Senior Notes;

WHEREAS, the Treasurer wishes to contract with the Trustee to maintain and hold in trust the Series 2020C Construction Fund, the Series 2020C Capitalized Interest Fund, the Series 2020C Costs of Issuance Fund and the Series 2020C Rebate Fund pursuant to the terms and conditions of

the Twenty-Fourth Supplemental Resolution in connection with the issuance of the Series 2020C Senior Notes;

WHEREAS, the Treasurer shall still maintain ultimate responsibility for the control, care and custody of moneys deposited and maintained with the Trustee; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

“*Authorized Representative*” shall mean the Treasurer, the Treasurer Operations Officer or such other officer or employee of the City which has been designated by the Treasurer as an authorized representative by written notice delivered by the Treasurer to the Trustee.

“*Bond Service Fund*” shall mean the fund by the name established pursuant to the terms of the Master Resolution.

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

“*Costs of Issuance*” shall have the meaning set forth in the Master Resolution.

“*Interest Account*” shall mean the account by that name established pursuant to the terms of the Master Resolution and maintained within the Bond Service Fund.

“*Investment Securities*” shall mean any securities in which the City may legally invest, from time to time, funds subject to its control, including, without limitation, (i) shares in money market mutual funds which qualify as investments pursuant to Sections 53601 and 53635 of the Government Code of the State of California; (ii) shares in money market mutual funds the assets of which would otherwise qualify as investments pursuant to Sections 53601 and 53635 of the Government Code of the State of California except that such money market mutual funds include in their assets (a) registered warrants, treasury notes or bonds of any state within the United States and/or (b) bonds, notes, warrants or other evidence of indebtedness of any county, city, city and county or other public agency of any state within the United States; (iii) an investment agreement of any maturity with a financial institution or insurance company or insurance holding company which has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed obligations, rated in either of the two highest long-term rating categories by Moody’s Investors Service Inc. (“Moody’s”), or S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”), or in the case of an insurance company has a claims paying ability rated in either of the two highest rating categories by Moody’s or S&P, or an investment agreement of any maturity with a person that is a subsidiary of such a financial institution or such

an insurance company or such an insurance holding company, provided that such person's obligations under such investment agreement are absolutely and unconditionally guaranteed by such financial institution or such insurance company or such insurance holding company; and (iv) such other investments that are provided for in the definition of Investment Securities in the Twenty-Fourth Supplemental Resolution.

Unless otherwise defined above or elsewhere in this Agreement, all words, terms and phrases used herein shall have the meanings assigned to such terms in the Master Resolution and the Twenty-Fourth Supplemental Resolution.

ARTICLE II

APPOINTMENT OF TRUSTEE

Section 2.01. Appointment and Acceptance. The City hereby appoints U.S. Bank National Association to act as trustee and agent to the City to maintain and hold in trust certain funds described herein and to perform such other duties as set forth in Article III hereof.

The Trustee hereby accepts its appointment, and agrees to execute the trusts and perform the duties set forth in this Agreement.

Section 2.02. Compensation. As compensation for the Trustee's services, the City hereby agrees to pay the Trustee the fees and amounts set forth in Exhibit B attached hereto and by this reference made a part hereof

ARTICLE III

DUTIES OF TRUSTEE

Section 3.01. Establishment of Funds. The Trustee shall establish and maintain the following funds:

- (a) City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Construction Fund (the "*Series 2020C Construction Fund*");
- (b) City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Capitalized Interest Fund (the "*Series 2020C Capitalized Interest Fund*");
- (c) City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Costs of Issuance Fund (the "*Series 2020C Costs of Issuance Fund*"); and
- (d) City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Rebate Fund (the "*Series 2020C Rebate Fund*").

Section 3.02. Application of Series 2020C Senior Note Proceeds. On the date hereof, the Treasurer shall or shall cause to be deposited with the Trustee \$[•] (which will be derived from the proceeds of the Series 2020C Senior Notes), which shall be deposited by the Trustee as follows:

(a) \$[•] shall be deposited into the Series 2020C Construction Fund to be used to pay the costs of the Series 2020C Project; and

(b) \$[•] shall be deposited into the Series 2020C Capitalized Interest Fund to be used to pay interest due and payable on the Series 2020C Senior Notes; and

(c) \$[•] shall be deposited into the Series 2020C Costs of Issuance Fund to be used to pay the Costs of Issuance of the Series 2020C Senior Notes.

Section 3.03. Application of Series 2020C Construction Fund. The Trustee shall make payments or disbursements from the Series 2020C Construction Fund upon receipt from an Authorized Representative of a written requisition, in substantially the form attached as Exhibit A hereto, executed by an Authorized Representative, which requisition shall state, with respect to each amount requested thereby, (a) that such amount is to be paid from the Series 2020C Construction Fund and is to pay costs of the Series 2020C Project, (b) the number of the requisition, and (c) the amount to be paid, the name of the entity to which the payment is to be made and the manner in which the payment is to be made.

Moneys held in the Series 2020C Construction Fund shall be invested and reinvested by the Trustee at the written direction of the Treasurer in Investment Securities; in the absence of any such direction, the Trustee shall, to the extent practicable, invest in Investment Securities specified in item (ii) of the definition thereof. Earnings on the Series 2020C Construction Fund shall be retained in the Series 2020C Construction Fund, unless otherwise directed by an Authorized Representative pursuant to the terms and conditions of the Master Resolution and the Seventeenth Supplemental Resolution. Upon completion of the Series 2020C Project, as provided in Section 4.02(b)(iv) of the Twenty-Fourth Supplemental Resolution, an Authorized Representative shall direct the Trustee as to the utilization of any remaining amounts in the Series 2020C Construction Fund.

Section 3.04. Application of Series 2020C Capitalized Interest Fund. Unless otherwise directed in writing by the Treasurer, moneys in the Series 2020C Capitalized Interest Fund shall be used by the Trustee to pay interest on the Series 2020C Senior Notes and, in order to make such payments, shall be transferred from the Series 2020C Capitalized Interest Fund to the Treasurer at the times and in the amounts set forth in Exhibit B attached hereto, who shall deposit such moneys to the Interest Account. Moneys held in the Series 2020C Capitalized Interest Fund shall be invested and reinvested by the Trustee at the written direction of the Treasurer in Investment Securities; in the absence of any such direction, the Trustee shall, to the extent practicable, invest in Investment Securities specified in item (ii) of the definition thereof. Unless otherwise directed in writing by the Treasurer, earnings on the Series 2020C Capitalized Interest Fund shall be retained in the Series 2020C Capitalized Interest Fund and utilized to pay interest on the Series 2020C Senior Notes. Unless otherwise directed in writing by the Treasurer, once all moneys, including earnings thereon, have been transferred from the Series 2020C Capitalized Interest Fund to the Treasurer for deposit in the Interest Account, the Series 2020C Capitalized Interest Fund shall be closed

Section 3.05. Application of Series 2020C Costs of Issuance Fund. The Trustee shall make payments or disbursements from the Series 2020C Costs of Issuance Fund upon receipt from

an Authorized Representative of a written requisition, in substantially the form of Exhibit C attached hereto, executed by an Authorized Representative to pay the Costs of Issuance of the Series 2020C Senior Notes.

The Trustee shall keep a record of all payments from the Series 2020C Costs of Issuance Fund, which record shall state: (a) the requisition number of such payment; (b) the name and address of the person to whom each such payment was made, (c) the respective amounts paid; and (d) the purpose by general classification for which each obligation paid was incurred.

Moneys held in the Series 2020C Costs of Issuance Fund shall be invested and reinvested by the Trustee at the written direction of the Treasurer in Investment Securities; in the absence of any such direction, the Trustee shall, to the extent practicable, invest in Investment Securities specified in item (ii) of the definition thereof. All investment earnings on amounts held in the Series 2020C Costs of Issuance Fund shall be transferred to the Treasurer for deposit to the Interest Account and used to make debt service payments on the Series 2020C Senior Notes. Any amounts remaining in the Series 2020C Costs of Issuance Fund on [•], 2020 shall be transferred to the Series 2020C Construction Fund and the Series 2020C Costs of Issuance Fund shall be closed.

Section 3.06. Application of Series 2020C Rebate Fund. All moneys at any time deposited in the Series 2020C Rebate Fund shall be held by the Trustee for the account of the City in trust, to the extent required to satisfy the rebate requirement with respect to the Series 2020C Senior Notes, for payment to the federal government of the United States of America, and neither the City nor the Owner of any Series 2020C Senior Notes shall have any rights in or claim to such money.

The Trustee shall invest all amounts held in the Series 2020C Rebate Fund, in the manner directed in writing by the Treasurer (subject to the limitations contained in the Tax Compliance Certificate) in Investment Securities; in the absence of any such direction, the Trustee shall, to the extent practicable, invest in Investment Securities specified in item (ii) of the definition thereof. Moneys shall not be transferred from the Series 2020C Rebate Fund except in accordance with the Tax Compliance Certificate. The City shall provide the Trustee with written directions for the transfer of any moneys from the Series 2020C Rebate Fund, and the Trustee may conclusively rely upon such directions.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Liability of Trustee. The Trustee shall not be liable for any loss resulting from any investment made pursuant to this Agreement in compliance with the express provisions hereof. Except to the extent all obligations to the Owners of the Series 2020C Senior Notes shall have been satisfied, the Trustee shall have no lien whatsoever on the moneys on deposit in the funds established herein for the payment of fees and expenses for services rendered by the Trustee under this Agreement or otherwise.

Whenever in the administration of this Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder,

such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized Representative, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Trustee, be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Agreement upon the faith thereof.

The Trustee shall not be liable under the Twenty-Fourth Supplemental Resolution or this Agreement except to the extent of its negligence or willful misconduct. The Trustee shall not be liable for any error in judgment made by it in good faith. No provision of this Agreement or the Twenty-Fourth Supplemental Resolution shall require the Trustee to risk, expend or advance its own funds in the performance of its duties as Trustee, or in the exercise of any of its rights or powers. The Trustee may conclusively rely, as to the truth of the statements and correctness of the opinion expressed therein, on certificates or opinions furnished to the Trustee by or on behalf of the City. The Trustee may consult with legal counsel with regards to legal questions, and the opinion or advice of such legal counsel shall be full protection and authorization for any action taken or not taken by the Trustee in reliance upon the opinion or advice of such legal counsel. The Trustee may perform any of its duties under this Agreement or the Twenty-Fourth Supplemental Resolution directly or through its agents or attorneys and shall not be responsible for the actions of such agents or attorneys if such agents or attorneys were appointed by it with reasonable care.

Section 4.02. Successor Trustee. Any corporation into which the Trustee and the trust created by this Agreement may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Trustee shall be a party or any corporation or association succeeding to the corporate trust business of the Trustee, shall be the successor Trustee under this Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 4.03. Termination. This Agreement shall terminate when all transfers and payments required to be made by the Trustee under the provisions hereof shall have been made and all payments of any unpaid fees and expense of the Trustee shall have been made. The City hereby directs the Trustee to, and the Trustee shall distribute any moneys remaining in the funds established herein at the time of such termination to the Treasurer.

Section 4.04. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Trustee to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 4.05. Successors and Assigns. All of the covenants and agreements in this Agreement contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 4.06. Indemnity of Trustee. To the extent permitted by law, the City agrees to indemnify and hold the Trustee harmless from and against all claims, suits and actions brought

against it, or to which it is made a party, and from all costs, expenses (including reasonable attorneys' fee of counsel reasonably acceptable to the City), losses and damages suffered by it as a result thereof, including the costs and expenses of defending against any such claims, suits or actions, where and to the extent such claim, suit or action arises out of the performance by the Trustee of its duties under this Agreement. Such indemnification shall not extend to claims, suits and actions brought against the Trustee which result in a judgment being entered, settlement being reached or other disposition made based upon the Trustee's negligence or willful misconduct. The indemnification provided for in this Agreement shall never be payable from or become a lien upon the moneys deposited in the funds established herein, which funds shall be held solely for the purpose and subject to the liens set forth in Article III hereof. The obligations of the City under this Section shall remain in effect and continue notwithstanding the termination of this Agreement.

Section 4.07. Third-Party Beneficiaries and Amendments. The Owners of the Series 2020C Senior Notes are hereby recognized as third-party beneficiaries of this Agreement to the extent of their interests in the funds as set forth in Article III hereof.

Section 4.08. Replacement and Resignation of Trustee. The City may remove the Trustee by notice in writing delivered to the Trustee thirty (30) days prior to the proposed removal date. The Trustee may resign by notifying the City in writing at least thirty (30) days prior to the proposed effective date of the resignation. No removal or resignation of the Trustee under this Section shall be effective until a new Trustee, approved by the City, has taken office and delivered a written acceptance of its appointment to the retiring Trustee and to the City. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the removal or resignation of the Trustee shall then (but only then) become effective and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Agreement. If the Trustee is removed or resigns or for any reason is unable or unwilling to perform its duties under this Agreement, the City shall promptly appoint a successor Trustee. If a successor Trustee has not been appointed and has not accepted such appointment by the end of the 30-day period, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee, and the costs, expenses and reasonable attorneys' fees incurred in connection with such a proceeding shall be paid by the City.

Section 4.09. Accounting Records and Reports of the Trustee. The Trustee shall at all times keep, or cause to be kept, proper records in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Series 2020C Senior Notes and all funds established by it pursuant to this Agreement. Such records shall be available for inspection with reasonable prior notice by the City on each Business Day during reasonable business hours and by any Owner of the Series 2020C Senior Notes, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

The Trustee shall provide to the City each month a report of the amounts deposited into each fund held by it under this Agreement and the amount disbursed from such funds, the earnings thereon, the ending balance in each of such funds and the investments of each such fund.

Section 4.10. Notices. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the City or the Trustee shall be mailed or delivered to the City or the Trustee, respectively, at the following

addresses, or such other address as may have been given by one party to the other by fifteen (15) days' written notice.

City: City of Long Beach
411 West Ocean Boulevard, 6th Floor
Long Beach, California 90802
Attn: City Treasurer

Fiscal Agent: U.S. Bank National Association
Global Corporate Trust
633 West Fifth Street, 24th Floor
LM-CA-T24T
Los Angeles, California 90071
Attn: Ilse Vlach

Section 4.11. Governing Law. This Agreement shall be governed by the applicable laws of the State of California.

Section 4.12. Headings. Any headings preceding the text of the several Sections hereof, and any table of content appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

Section 4.13. Amendments. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 4.14. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have each caused this Trustee Services Agreement to be executed by their duly authorized officers as of the date first above written.

CITY OF LONG BEACH, CALIFORNIA

By _____
David S. Nakamoto, City Treasurer

Approved as to form:

J. CHARLES PARKIN, City Attorney

By _____
Lauren E. Misajon
Deputy City Attorney

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Representative

[Signature page to Trustee Services Agreement]

EXHIBIT A

FORM OF SERIES 2020C CONSTRUCTION FUND REQUISITION

Requisition No. _____

To: U.S. Bank National Association
Global Corporate Trust
633 West Fifth Street, 24th Floor
LM-CA-T24T
Los Angeles, California 90071
Attention: Ilse Vlach

Re: Requisition of Funds from City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Construction Fund

The amount requisitioned: \$ _____

Payment to be made to: _____

Manner in which payment is to be made: _____

The undersigned, an Authorized Representative within the meaning of the Trustee Services Agreement, dated [●], 2020 (the "Trustee Services Agreement"), by and between the City of Long Beach, California (the "City"), and U.S. Bank National Association, as trustee (the "Trustee"), hereby requisitions the amount set forth above and directs that such amount be paid to the party set forth above from funds held in the City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Construction Fund and directs that payment be made in the manner described above.

The amount to be paid represents a cost of the Series 2020C Project and the amount requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate, dated [●], 2020, relating to the Series 2020C Notes. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Twenty-Fourth Supplemental Resolution (as defined in the Trustee Services Agreement).

Dated: _____.

CITY OF LONG BEACH, CALIFORNIA

By _____
Title _____
Name _____

EXHIBIT B

**SCHEDULE OF WITHDRAWALS FROM
SERIES 2020C CAPITALIZED INTEREST FUND**

<u>Interest Payment Date</u>	<u>Amount to Withdraw and Transfer to Treasurer</u>
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All remaining amounts on
deposit in the Fund

EXHIBIT C

FORM OF SERIES 2020C COSTS OF ISSUANCE FUND REQUISITION

Requisition No. _____

To: U.S. Bank National Association
Global Corporate Trust
633 West Fifth Street, 24th Floor
LM-CA-T24T
Los Angeles, California 90071
Attention: Ilse Vlach

Re: Requisition of Funds from City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Costs of Issuance Fund

The amount requisitioned: \$ _____

Payment to be made to: _____

Manner in which payment is to be made: _____

The undersigned, an Authorized Representative within the meaning of the Trustee Services Agreement, dated [●], 2020 (the "Trustee Services Agreement"), by and between the City of Long Beach, California (the "City"), and U.S. Bank National Association, as trustee (the "Trustee"), hereby requisitions the amount set forth above and directs that such amount be paid to the party set forth above from funds held in the City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C Costs of Issuance Fund and directs that payment be made in the manner described above.

The amount to be paid represents a Costs of Issuance associated with the issuance of the Series 2020C Senior Notes and the amount requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate, dated [●], 2020, relating to the Series 2020C Senior Notes. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Master Resolution and the Twenty-Fourth Supplemental Resolution (as each are defined in the Trustee Services Agreement).

Dated: _____.

CITY OF LONG BEACH, CALIFORNIA

By _____
Title _____
Name _____

EXHIBIT D

SCHEDULE OF FEES FOR SERVICES AS TRUSTEE

\$[]
CITY OF LONG BEACH, CALIFORNIA
HARBOR REVENUE SHORT-TERM NOTES
SERIES 2020C

NOTE PURCHASE AGREEMENT

[], 2020

Board of Harbor Commissioners
Harbor Department of the City of Long Beach
Long Beach, California

Ladies and Gentlemen:

The undersigned Citigroup Global Markets Inc. (the “Representative”), on behalf of itself, Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated (collectively, the “Underwriters”), offers to enter into this Note Purchase Agreement (the “Note Purchase Agreement”) with the City of Long Beach, California, acting by and through its Board of Harbor Commissioners (the “Issuer”) which, upon the Issuer’s written acceptance hereof, will be binding upon the Issuer and upon the Underwriters. Capitalized terms used and not otherwise defined herein shall have the same meanings as set forth in the Master Resolution and the Twenty-Fourth Supplemental Resolution (as such terms are hereinafter defined) or in the Official Statement (as hereinafter defined). This offer is made subject to the written acceptance of this Note Purchase Agreement by the Issuer and the delivery of such acceptance to the Representative at or prior to 11:59 p.m. California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer.

The Representative hereby represents that it has been authorized by the other Underwriters to execute this Note Purchase Agreement on behalf of the Underwriters.

1. Upon the terms and conditions and upon the basis of the representations and warranties hereinafter set forth, the Underwriters, jointly and severally, hereby agree to purchase from the Issuer for reoffering to the public, and the Issuer hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of \$[] aggregate principal amount of the City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C (the “Notes”). The purchase price of the Notes shall be \$[] (representing the principal amount of the Notes plus premium of \$[] and less an underwriters’ discount of \$[]) (the “Purchase Price”).

2. The Notes are special, limited obligations of the City of Long Beach, California (the “City”) and are secured by a pledge of and lien upon and shall be a charge upon and shall be payable from Revenues and certain funds and accounts pledged under the Resolutions (as hereinafter defined) on parity with all other Bonds. The Notes shall be authorized and secured by the terms of Resolution No. HD-1475 adopted by the Board of Harbor Commissioners (the “Board”) on November 8, 1989, as supplemented and amended by supplemental resolutions (the “Master Resolution”), including by a Twenty-Fourth Supplemental Resolution, to be adopted by

the Board on [], 2019 (the “Twenty-Fourth Supplemental Resolution” and, together with the Master Resolution, the “Resolutions”).

The Issuer will also enter into (a) a fiscal agent agreement to be dated as of the Closing Date (as defined in Section 6 below) (the “Fiscal Agent Agreement”) with U.S. Bank National Association (the “U.S. Bank”), in its capacity as fiscal agent (the “Fiscal Agent”), and (b) a continuing disclosure certificate, dated the Closing Date (the “Continuing Disclosure Certificate”).

The Issuer hereby ratifies, confirms and approves the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement relating to the Notes, dated [], 2020 (which, including the cover page, inside cover page and all appendices thereto, all documents and information incorporated therein by reference and all amendments and supplements thereto prior to the execution hereof is referred to herein as the “Preliminary Official Statement”) in connection with the public offering of the Notes by the Underwriters. The Issuer hereby represents to the Underwriters, as of the date hereof, that the Preliminary Official Statement previously furnished to the Underwriters was and is hereby “deemed final” by the Issuer as of its date for purposes of Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended (the “1934 Act”), except for the omission of offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, and any other terms of the Notes as permitted and specified in Rule 15c2-12(b)(1) promulgated under the 1934 Act.

The Notes shall be substantially in the form described in, and shall be issued and secured under and pursuant to, and shall be payable and subject to redemption as provided in, the Resolutions. The Issuer hereby approves the use by the Underwriters of the Official Statement, dated the date hereof, relating to the Notes (which, including the cover page, inside cover page and all appendices thereto, all documents and information incorporated therein by reference and all amendments and supplements thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, is referred to herein as the “Official Statement”).

The Issuer hereby agrees to deliver or to cause to be delivered to the Underwriters, at such addresses as the Underwriters shall specify, the Official Statement in “designated electronic format” (as defined in Rule G-32 of the Municipal Securities Rulemaking Board (the “MSRB”)) to such addresses as the Underwriters shall specify, to enable the Underwriters to comply with the obligations of the Underwriters pursuant to Rule 15c2-12(b)(4) promulgated under the 1934 Act, MSRB Rule G-32 and all other applicable rules of the MSRB. The Issuer agrees to deliver or cause to be delivered such Official Statements within seven (7) business days after the execution hereof, but in any event at least two (2) business days prior to the Closing Date and in sufficient time to accompany any confirmation that requests payment and to enable the Underwriters to comply with the rules of the MSRB. The Issuer also agrees that if the Official Statement is amended or supplemented after the date hereof, the Issuer will deliver or cause to be delivered to the Underwriters as many copies of such amendment or supplement as the Underwriters shall request to comply with the rules of the MSRB. The Representative agrees to file the Official Statement (including the Official Statement as it may be amended or supplemented and provided to the Representative) with the MSRB through its Electronic

Municipal Market Access system within one (1) business day after receipt from the Issuer, but in no event later than the Closing Date. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the Issuer and the Representative. If the Official Statement is prepared for distribution in electronic form, the Issuer hereby confirms that it does not object to distribution of the Official Statement in electronic form.

The Notes are being issued to (i) pay and/or reimburse the Harbor Department for capital expenditures incurred or to be incurred by the Harbor Department at the Port, including, but not limited to, the construction of the replacement for the Gerald Desmond Bridge; (ii) fund capitalized interest on the Notes through approximately []; and (iii) pay the costs of issuing the Notes.

The Notes shall be dated as of their initial date of delivery and shall bear interest at the rates and mature in the principal amounts on [], all as set forth in Schedule I hereto.

3. Each Underwriter agrees to make a *bona fide* public offering of all the Notes, at prices not in excess of the respective initial public offering prices or at yields not lower than the yields set forth in Schedule I hereto. Each Underwriter also reserves the right to (i) overallocate or effect transactions which stabilize or maintain the market prices of the Notes at levels above those which might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time.

4. Establishing the Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Notes and shall execute and deliver to the Issuer at Closing (as hereinafter defined) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Note Counsel (as hereinafter defined), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Notes.

(b) [Except as otherwise set forth in Schedule I attached hereto,] the Issuer will treat the first price at which 10% of each maturity of Notes (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Note Purchase Agreement, the Underwriters shall report to the Issuer the price or prices at which it has sold to the public each maturity of the Notes. For purposes of this Section, if Notes mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Notes. Schedule I attached hereto sets forth the maturities of the Notes for which the 10% test has been satisfied as of the date of this Note Purchase Agreement (the “10% Test Maturities”) and the prices at which the Underwriters have sold such 10% Test Maturities to the public.

(c) [With respect to the maturities of the Notes that are not 10% Test Maturities, as described in Schedule I attached hereto (the “Hold-the-Price Maturities”), the Representative

confirms that the Underwriters offered such maturities of the Notes to the public on or before the date of this Note Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto. The Issuer and the Representative agree that the restrictions set forth in the next sentence shall apply to the unsold Notes of the Hold-the-Price Maturities, which the Representative will not allot to any other Underwriter during the period identified below, and which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Hold-the-Price Maturities, the Representative will neither offer nor sell unsold Notes of any such maturity of the Hold-the-Price Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Representative have sold at least 10% of that maturity of the Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public.

The Representative shall advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether the Underwriters have sold 10% of that maturity of the Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public.]

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) to report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and

(ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires;

(B) to promptly notify the Representative of any sales of Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public; and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Issuer acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing the issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement to adhere to the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes.

(f) The Underwriters acknowledge that sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each

such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Note Purchase Agreement by all parties.

5. The Issuer hereby authorizes the use by the Underwriters of the Resolutions, the Fiscal Agent Agreement and the Official Statement, and any supplements or amendments thereto, and the information contained in each of such documents, in connection with the public offering and sale of the Notes.

6. At 8:00 A.M., California time, on [], 2020 or at such other time or on such other business day as shall have been mutually agreed upon by the Issuer and the Representative (the “Closing Date”), the Issuer will deliver, or cause to be delivered, the Notes to the Representative’s account against payment of the Purchase Price through the facilities of The Depository Trust Company (“DTC”) in New York, New York. Physical delivery of the Notes shall be made to the Fiscal Agent, as agent for DTC under the Fast Automated Securities Transfer System. The Notes will be in fully registered book-entry form, duly executed and registered in the name of Cede & Co. as nominee of DTC, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the Purchase Price by wire transfer in immediately available funds at the administrative offices of the Harbor Department at 415 West Ocean Boulevard, Long Beach, California 90892 or such other place as shall have been mutually agreed upon by the Issuer and the Representative. Such delivery of and payment for the Notes as described in this paragraph is referred to herein as the “Closing.”

7. The Issuer represents, as of the date hereof, warrants and covenants to each of the Underwriters that:

(a) The City is a municipal corporation and chartered city duly organized and existing under its Charter and the Constitution and the laws of the State of California (the “State”). The Issuer is authorized by the provisions of Section 1211(b) of the Charter of the City, Title 3, Chapter 3.52, Division I of the Municipal Code of the City and in accordance with certain provisions of the Revenue Bond Law of 1941, Section 54300, et seq., of the Government Code of the State, is authorized, among other things, (i) to issue revenue notes, such as the Notes, for the purposes described in the Resolutions, and (ii) to secure the Notes in the manner contemplated by the Resolutions;

(b) The Board had and will have the full right, power and authority to adopt the Resolutions and Resolution No. HD-[] adopted by the Board on [], 2019 (“Resolution No. HD-[]”);

(c) The Issuer has the full right, power and authority (i) to enter into the Fiscal Agent Agreement, this Note Purchase Agreement and the Continuing Disclosure Certificate, (ii) to acknowledge and deliver (including, without limitation, through electronic means) the Preliminary Official Statement; (iii) to determine that the Preliminary Official Statement was substantially final within the meaning of Rule 15c2-12 promulgated under the 1934 Act; (iv) to prepare, execute and deliver (including, without limitation, through electronic means) the Official Statement; (v) to issue, sell and deliver the Notes to the Underwriters as provided herein, and (vi) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the Issuer has complied with all provisions of applicable law in all matters relating to such transactions;

(d) The Issuer has duly authorized (i) the execution and delivery of the Notes and the execution, delivery and due performance, as applicable, of this Note Purchase Agreement, the Resolutions, the Official Statement, the Fiscal Agent Agreement and the Continuing Disclosure Certificate, and (ii) the taking of any and all such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such instruments;

(e) Upon issuance, the Notes will be valid and binding special limited obligations of the City enforceable in accordance with their terms, and shall be secured by a pledge of and lien upon and shall be a charge upon and shall be payable, as to the principal thereof, interest thereon, solely from and secured by a lien upon Revenues and other funds, assets and security described in the Resolutions;

(f) This Note Purchase Agreement is, and upon their execution and delivery the Fiscal Agent Agreement and the Continuing Disclosure Certificate will be, valid and binding obligations of the Issuer enforceable in accordance with their respective terms;

(g) Except for the Twenty-Fourth Supplemental Resolution, to be adopted by the Board on [], 2019 and to be in full force and effect as of Closing, all approvals and consents of the Issuer which would constitute a condition precedent to the performance by the

Issuer of its obligations hereunder and under the Resolutions, the Fiscal Agent Agreement, the Continuing Disclosure Certificate and the Notes have been obtained and are in full force and effect, in each case except such authorization, consent, approval, filing or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale or issuance of the Notes (as to which no representation is made). Except for the Twenty-Fourth Supplemental Resolution, to be adopted by the Board on [], 2019, and to be in full force and effect as of Closing, no other material authorization, consent or approval of, or filing or registration with, any Governmental Authority (as defined below) or court is, or under existing requirements of law will be, necessary for the valid execution, delivery or performance by the Issuer of this Note Purchase Agreement, the Fiscal Agent Agreement, the Continuing Disclosure Certificate or the Resolutions other than any authorization, consent, approval, filing or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale or issuance of the Notes (as to which no representation is made). Except for the Twenty-Fourth Supplemental Resolution, to be adopted by the Board on [], 2019 and to be in full force and effect as of Closing, all authorizations, consents or approvals of, or filings or registrations with any Governmental Authority or court necessary for the valid issuance of, and performance by the Issuer of its obligations under the Notes will have been duly obtained or made prior to the issuance of the Notes (and disclosed to the Underwriters), except such authorization, consent, approval, filing or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale or issuance of the Notes (as to which no representation is made). As used herein, the term “Governmental Authority” refers to any legislative body or governmental official, department, commission, board, bureau, agency, instrumentality, body or public benefit corporation;

(h) The adoption of the Twenty-Fourth Supplemental Resolution and execution and delivery of this Note Purchase Agreement, the Fiscal Agent Agreement, the Continuing Disclosure Certificate and the Notes, and compliance with the provisions thereof, will not conflict with or constitute a material breach of or default under (i) any material statute, indenture, mortgage, note or other agreement or instrument to which the Issuer is a party or by which it is bound, (ii) any provision of the State Constitution or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the Issuer (or the members of the Board or any of its officers in their respective capacities as such) is subject;

(i) Except as specifically disclosed in the Preliminary Official Statement and as will be specifically disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the City or the Board or, to the best knowledge of the Issuer, threatened, which in any way (i) questions the powers of the Issuer referred to in paragraphs (b) and (c) above, or the validity of any proceeding taken by the Issuer in connection with the issuance of the Notes, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Note Purchase Agreement, or of any other document or instrument required or contemplated by this financing; (ii) could adversely affect the validity or enforceability of the Notes, the Resolutions, Resolution No. HD-[], the Fiscal Agent Agreement, the Continuing Disclosure Certificate or this Note Purchase Agreement; (iii) questions the exclusion from gross income of the recipients thereof of the interest on the Notes for federal income tax purposes or in any other way questions the status of the Notes under federal or state tax laws or regulations; or (iv) could materially adversely affect the properties,

operations or financial condition of the Harbor Department or the ability of the Issuer to pay principal of and interest on the Notes when due or to otherwise perform any of its obligations under the Resolutions, the Fiscal Agent Agreement and the Continuing Disclosure Certificate;

(j) The Notes will be issued in accordance with the Resolutions and will conform in all material respects to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.

(k) Any certificate signed by any official or other representative of the Issuer, the Board or the Harbor Department and delivered to the Representative pursuant to this Note Purchase Agreement shall be deemed a representation and warranty by the Issuer, the Board or the Harbor Department, as applicable (and not by such official or other representative in his or her individual capacity) to the Underwriters as to the truth of the statements therein made;

(l) The Issuer has never been in default at any time, as to principal of or interest on any obligation which it has issued, except as otherwise specifically disclosed in the Preliminary Official Statement and the Official Statement; and, other than the Resolutions, neither the Issuer nor the Board has entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Revenues pledged to the payment of the Notes except as specifically disclosed in the Preliminary Official Statement and the Official Statement;

(m) Other than in the ordinary course of its business or as described in the Preliminary Official Statement and the Official Statement, between the date of this Note Purchase Agreement and the Closing Date, the Issuer will not offer or issue any certificates, bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Revenues;

(n) The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Representative as the Representative may reasonably request in order (i) to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Representative may designate and (ii) to determine the eligibility of the Notes for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the initial distribution of the Notes; provided, however, that the Issuer shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction or pay the cost or expense of any qualifications or determination;

(o) The information contained in the (i) Preliminary Official Statement (excluding therefrom the sentence specifically indicated as being provided by the Underwriters on page (ii), the information under the caption "UNDERWRITING" and relating to and provided by DTC, and permitted omissions as specified in Rule 15c2-12(b)(1) promulgated under the 1934 Act) is as of its date and the date hereof (including as supplemented and amended as of the date of its final supplement or amendment provided to the Underwriters on or before the date hereof) and (ii) the Official Statement (excluding therefrom the yield and price information on the inside cover page, the sentence specifically indicated as being provided by the Underwriters on page (ii) and the information under the caption "UNDERWRITING" (collectively, the "Underwriter

Information”), the information relating to or provided by DTC and CUSIP numbers), will be as of its date and as of the Closing Date, true and correct in all material respects. The Preliminary Official Statement (excluding therefrom the sentence specifically indicated as being provided by the Underwriters on page (ii), the information under the caption “UNDERWRITING” and relating to and provided by DTC, and permitted omissions as specified in Rule 15c2-12(b)(1) promulgated under the 1934 Act) as of its date did not and as of the date hereof does not (including as supplemented and amended as of the date of its final supplement or amendment provided to the Underwriters on or before the date hereof) and the Official Statement (excluding therefrom the Underwriter Information, the information relating to and provided by DTC and CUSIP numbers), as of its date did not and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(p) If the Official Statement is supplemented or amended pursuant to paragraph (q) of this Section 7, at the time of each supplement or amendment thereto, the Official Statement as so supplemented or amended (excluding therefrom the Underwriter Information, the information relating to and provided by DTC and CUSIP numbers) will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(q) Between the date of this Note Purchase Agreement and the date which is 25 days following the End of the Underwriting Period, as defined in Rule 15c2-12 promulgated under the 1934 Act (the “End of the Underwriting Period”), (i) if any event, fact or condition shall occur or become known which might or would cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Representative (and provide to the Representative such information concerning such event, fact or condition), and if in the opinion of the Representative or the Issuer such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Representative (which approval shall not be unreasonably withheld) so that the Official Statement, as so supplemented or amended, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Issuer will furnish to the Representative a sufficient number of copies of such supplement to or amendment of the Official Statement and (ii) the Issuer shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written notice to and approval of the Representative (which approval shall not be unreasonably withheld), and the Issuer and the Underwriters agree that they will cooperate in the preparation of any such supplement or amendment, and that the “End of the Underwriting Period” shall be the time of the Closing unless the Representative gives notice to the Issuer that an Underwriter retains an unsold balance of Notes, in which case the “End of the Underwriting Period” shall be the first date as of which no Underwriter retains an unsold balance of the Notes;

(r) The financial statements of, and other financial information regarding, the Harbor Department contained in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of the operations of the Harbor Department as of the dates and for the periods therein set forth, and, to the best of the Issuer's knowledge, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, and (ii) the other historical financial information has been determined on a basis substantially consistent with that of the Harbor Department's audited financial statements included in the Preliminary Official Statement and the Official Statement;

(s) The Issuer shall not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Notes to be applied in a manner other than as provided in the Resolutions or which would cause the interest on the Notes to be includable in gross income for federal income tax purposes; and

(t) Except as otherwise described in the Preliminary Official Statement and the Official Statement, the Issuer has not failed in the five-year period prior to the date hereof to comply in all material respects with any continuing disclosure undertakings with regard to Rule 15c2-12(b)(5) promulgated under the 1934 Act to provide annual reports or notices of certain enumerated events specified in such rule.

8. The Representative, on behalf of the Underwriters, has entered into this Note Purchase Agreement in reliance upon the representations and warranties of the Issuer contained herein, the covenants of the Issuer contained in the Resolutions and the Continuing Disclosure Certificate, and the performance by the Issuer of its obligations hereunder, as of the date hereof and as of the Closing Date. The Underwriters' obligations under this Note Purchase Agreement are and shall be subject to the following further conditions:

(a) The representations and warranties of the Issuer contained in Section 7 hereof shall be true, complete and correct on the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Representative at the Closing pursuant hereto shall be true, complete and correct at the Closing; the Issuer shall be in compliance with each of the agreements made by it in this Note Purchase Agreement (unless such agreements are waived by the Representative); and there shall not have occurred an adverse change in the financial position, results of operations or financial condition of the Harbor Department which materially adversely affects the ability of the Issuer to pay principal of and interest on the Notes when due or to otherwise perform any of its obligations under the Resolutions, the Fiscal Agent Agreement and the Continuing Disclosure Certificate.

(b) At the time of the Closing, the Official Statement, the Resolutions, Resolution No. HD-[], the Fiscal Agent Agreement, the Continuing Disclosure Certificate and this Note Purchase Agreement shall be in full force and effect, and shall not have been amended, modified or supplemented (except as may be agreed to in writing by the Representative and the Issuer); all actions which, in the opinion of Kutak Rock LLP, Note Counsel to the Issuer ("Note Counsel"), shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and the Issuer shall perform or have performed its obligations required under or specified in this Note Purchase Agreement, the Official Statement, the Fiscal Agent

Agreement, the Continuing Disclosure Certificate and the Resolutions to be performed at or prior to the Closing;

(c) At the time of the Closing, the information in the Official Statement (excluding therefrom the Underwriter Information, the information relating to and provided by DTC and CUSIP numbers) (as amended and supplemented) shall be true and correct in all material respects, and the Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(d) (i) No default by the Issuer shall have occurred and be continuing in the payment of the principal of or premium, if any, or interest on any bond, note or other evidence of indebtedness issued by the Issuer and (ii) no bankruptcy, insolvency or other similar proceeding in respect of the Issuer shall be pending or to the knowledge of the Issuer contemplated;

(e) The Underwriters may terminate this Note Purchase Agreement by notification by the Representative to the Issuer if, at any time after the date hereof and prior to the Closing, in the Representative's reasonable opinion:

(i) the marketability of the Notes, the market prices of the Notes set forth in the Official Statement or the ability of the Underwriters to enforce contracts for the sale, at the contemplated prices (or yields), of the Notes, in the judgement of the Representative, has been materially adversely affected by (A) an amendment to the Constitution of the United States of America or the State of California, (B) any legislation introduced in, enacted by, reported out of committee, or recommended for passage by the State of California, except as disclosed in the Preliminary Official Statement (as of the date hereof) or the Official Statement, by either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Internal Revenue Code of 1986, as amended (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House or (C) any decision of any court of the United States or by any ruling or regulation (final, temporary or proposed) shall be issued or proposed by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly), that the federal or state taxation of interest received by any holder of obligations of the same type and character as the Notes;

(ii) there shall have occurred (1) any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war; or (2) any other calamity or crisis in the financial markets of the United States or elsewhere; or (3) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations; or (4) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against any state of the United States or any city, county or other political subdivision located in the United States having a population of over 1,000,000, which, in the judgment of the Underwriters, materially adversely affects the market price or marketability of the Notes or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Notes;

(iii) (1) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's ("S&P"), or Fitch Ratings ("Fitch") of any debt securities issued by the Issuer, or (2) there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P or Fitch of any debt securities issued by the Issuer, including the Notes;

(iv) a general banking moratorium shall have been declared by federal or New York or the State of California state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred which, in the judgment of the Underwriters, materially adversely affects the market price or the marketability for the Notes or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Notes;

(v) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have: (1) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Notes or similar obligations; or (2) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers which, in the judgment of the Underwriters, materially adversely affects the market price or marketability of the Notes or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Notes;

(vi) an event described in subsection (q) of Section 7 shall have occurred which in the reasonable opinion of the Representative (after consultation with the Issuer) requires the preparation and publication of a supplement or

amendment to the Official Statement and (A) the Issuer refuses to allow the Official Statement to be supplemented or (B) the effect of the Official Statement as so supplemented, in the reasonable opinion of the Representative, is to materially adversely affect the marketability of the Notes or the market prices of the Notes set forth in the Official Statement or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields) of the Notes;

(vii) a stop order, ruling, regulation or proposed regulation by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the of the subject matter shall hereafter be issued or made, the effect of which is that the issuance, offering, sale or distribution of the Notes (including any related underlying obligations), as contemplated herein or in the Official Statement is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended and as then in effect, the 1934 Act, as then in effect, the Trust Indenture Act of 1939, as amended, and as then in effect, or any rule or regulation promulgated under any such Acts; or

(viii) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Notes, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended (the “Securities Act”), or that the Resolutions or Fiscal Agent Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Notes, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect.

(f) At or prior to the Closing, the Representative shall receive the following documents:

(i) The opinion (or opinions) of Note Counsel, dated the Closing Date, in substantially the form included in the Official Statement as Appendix C, addressed to the Issuer and the Underwriters (or accompanied by a reliance letter to the Underwriters);

(ii) A supplemental opinion of Note Counsel, in form and substance satisfactory to the Representative, addressed to the Issuer and the Underwriters, dated the Closing Date, to the effect that:

a. the Notes are exempt from registration pursuant to Section 3(a)(2) of the Securities Act of 1933, as amended, and the Resolutions and

the Fiscal Agent Agreement are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

b. this Note Purchase Agreement, the Fiscal Agent Agreement and the Continuing Disclosure Certificate have each been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto in the case of this Note Purchase Agreement and the Fiscal Agent Agreement, this Note Purchase Agreement, the Fiscal Agent Agreement and the Continuing Disclosure Certificate each constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, moratorium, insolvency, reorganization or other laws affecting the enforcement of creditors' rights or remedies heretofore or hereafter enacted and are subject to general principles of equity regardless of whether such enforceability is considered in a proceeding in equity or at law; and

c. the statements in the Official Statement under the captions "DESCRIPTION OF THE SERIES 2020C SENIOR NOTES," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020C SENIOR NOTES," "TAX MATTERS," "CONTINUING DISCLOSURE," "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR RESOLUTION," and "APPENDIX E – AMENDMENTS TO MASTER SENIOR RESOLUTION," insofar as such statements purport to summarize certain provisions of the Resolutions, the Fiscal Agent Agreement, the Continuing Disclosure Certificate or the Notes and the approving opinion of Note Counsel, are accurate in all material respects;

(iii) an opinion of the City Attorney in form and substance as attached hereto as Exhibit B;

(iv) letters from Hawkins Delafield & Wood LLP, Disclosure Counsel to the Issuer, dated the Closing Date, addressed to the Issuer and the Underwriters, substantially in the forms attached hereto as Exhibit C;

(v) an opinion of Nixon Peabody LLP, counsel to the Underwriters, dated the Closing Date, addressed to the Underwriter, to the effect that:

a. the Notes are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions and the Fiscal Agent Agreement are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

b. based upon their participation in the preparation of the Preliminary Official Statement and the Official Statement as counsel for the Underwriters and their participation at conferences at which the Preliminary Official Statement and the Official Statement were discussed, but without

having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement, as of its date, or the Official Statement, as of its date or as of the date of the Closing, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement and the information regarding DTC and its book-entry system and the appendices, in each case as to which no view need be expressed);

(vi) a certificate, dated the Closing Date, of the Issuer executed by the Executive Director or the Managing Director, Finance and Administration of the Harbor Department, to the effect that (A) the representations and warranties of the Issuer contained in this Note Purchase Agreement are true and correct in all material respects as of the date of this Note Purchase Agreement and as of the Closing, and the Issuer has complied with all agreements and covenants and satisfied all conditions contemplated by the Resolutions, the Official Statement, the Fiscal Agent Agreement, the Continuing Disclosure Certificate and this Note Purchase Agreement and (B) the Official Statement (excluding therefrom the Underwriter Information, the information relating to or provided by DTC and CUSIP numbers), does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vii) a certificate, dated the Closing Date, of the City, signed by a duly authorized officer of the City, to the effect that:

a. the City has full power and authority to perform its duties in accordance with the Trustee Services Agreement, dated as of the Closing Date (the "Trustee Services Agreement"), by and between the City and U.S. Bank, in its capacity as trustee (the "Trustee");

b. the City has duly taken all necessary action to approve the execution of the Trustee Services Agreement and has duly authorized, executed and delivered the Trustee Services Agreement and the performance by the City of the duties thereunder and, assuming due, valid and binding authorization, execution and delivery by the Trustee, the Trustee Services Agreement constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms;

(viii) certified copies of the resolutions of the City and the Board relating to the Notes and executed counterparts of this Note Purchase Agreement, the Fiscal Agent Agreement, the Continuing Disclosure Certificate, the Trustee

Services Agreement, the Official Statement and each of the other legal documents executed and delivered in connection with the issuance of the Notes;

(ix) a Tax Compliance Certificate of the Issuer, in form satisfactory to Note Counsel, signed by an appropriate officer of the Issuer;

(x) evidence that (A) the long-term ratings on the Notes of [“AA”] by Fitch and [“Aa2”] by Moody’s, respectively, and (B) the short-term ratings on the Notes of [“F1+”] by Fitch, are in full force and effect on the Closing Date;

(xi) a certificate, dated the Closing Date, of U.S. Bank, signed by a duly authorized officer of the U.S. Bank, to the effect that:

a. U.S. Bank is a national banking association duly organized and validly existing under the laws of the United States of America and has full corporate power to undertake the duties of: (1) Fiscal Agent under the Resolutions and the Fiscal Agent Agreement and (2) Trustee under the Trustee Services Agreement;

b. U.S. Bank has duly taken all necessary corporate action to approve the execution of the Fiscal Agent Agreement and the Trustee Services Agreement, respectively, and has duly authorized, executed and delivered the Fiscal Agent Agreement and the Trustee Services Agreement and the performance by U.S. Bank of the duties thereunder and under the Resolutions;

c. The Notes have been duly authenticated and executed by the Fiscal Agent;

d. To the best of such authorized officer’s knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on U.S. Bank (either in state or federal courts), or to the best of such authorized officer’s knowledge, threatened against or affecting U.S. Bank which would restrain or enjoin the execution or delivery of the Fiscal Agent Agreement or the Trustee Services Agreement or which would affect the validity or enforceability of the Fiscal Agent Agreement or the Trustee Services Agreement, or U.S. Bank’s participation in, or in any way contesting the powers or the authority of U.S. Bank with respect to, the transactions contemplated by the Resolutions, the Fiscal Agent Agreement, the Trustee Services Agreement or any other agreement, document or certificate related to such transactions; and

(xii) An opinion of Dorsey & Whitney LLP, counsel to U.S. Bank, in form and substance satisfactory to the Representative, dated the Closing Date, addressed to the Issuer, the City and the Underwriters, to the effect that:

a. U.S. Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America;

b. U.S. Bank has all requisite corporate power, authority and legal right to execute and deliver the Fiscal Agent Agreement and the Trustee Services Agreement and to perform its obligations thereunder and under the Resolutions, and has authorized the execution and delivery of the Fiscal Agent Agreement and the Trustee Services Agreement and the performance of its obligations under the Fiscal Agent Agreement, the Trustee Services Agreement and the Resolutions;

c. U.S. Bank has duly authorized, executed and delivered the Fiscal Agent Agreement and the Trustee Services Agreement. Assuming the due authorization, execution and delivery thereof by the Issuer and the City thereto, as applicable, and adoption of the Resolutions, the Fiscal Agent Agreement and the Trustee Services Agreement are the legal, valid and binding agreements of U.S. Bank, enforceable in accordance with their terms against U.S. Bank;

d. To our knowledge, the execution and delivery of the Fiscal Agent Agreement and the Trustee Services Agreement, and compliance with the provisions of the Fiscal Agent Agreement, the Trustee Services Agreement, and the Resolutions by U.S. Bank will not violate any provisions of any law or regulation governing U.S. Bank or any order of any governmental authority having jurisdiction over U.S. Bank; and

e. To our knowledge, no authorization, approval, consent, or order of any governmental agency or regulatory authority having jurisdiction over U.S. Bank that has not been obtained by U.S. Bank is required for the authorization, execution, and delivery by U.S. Bank of the Fiscal Agent Agreement or the Trustee Services Agreement or the performance of the duties and obligations of U.S. Bank under the Fiscal Agent Agreement, the Trustee Services Agreement and the Resolutions.

(xiii) a copy of the DTC Blanket Letter of Representations relating to the Notes;

(xiv) a copy of the Report of Proposed Debt Issuance required to be delivered to the California Debt and Investment Advisory Commission (“CDIAC”); and

(xv) such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative or Note Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the accuracy, as of the time of Closing, of the Issuer’s representations herein contained and the due performance or satisfaction by the Issuer at or prior to such

time of all agreements then to be performed and all conditions then to be satisfied by the Issuer

If the Issuer shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Note Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Note Purchase Agreement, this Note Purchase Agreement shall terminate and neither the Issuer nor the Underwriters shall have any further obligation hereunder, nor any liability to any other party with respect to such termination. In the event that the Underwriters fail (other than for a reason permitted herein) to accept and pay for the Notes at the Closing, the amount equal to one percent of the principal amount of the Notes set forth in Section 1 hereof shall be full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. The acceptance of such amounts shall constitute a full release and discharge of all claims and rights of the Issuer against the Underwriters for such failure or default. The Underwriters and the Issuer understand that in such event the actual damages of the Issuer may be greater or may be less than such amounts. Accordingly, the Underwriters hereby waive any right to claim that the actual damages of the Issuer are less than such sum, and the acceptance of this offer by the Issuer shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriters.

9. The performance by the Issuer of its obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder and (ii) receipt by the Issuer and the Representative of opinions and certificates being delivered at the Closing by persons and entities other than the Issuer.

10. (a) Except as provided below, the Underwriters shall be under no obligation to pay, and the Issuer shall pay or cause to be paid all expenses incident to the issuance and sale of the Notes as herein provided, including but not limited to: (i) the cost of preparation, including word processing, printing and reproduction of the Notes, the Fiscal Agent Agreement and the Trustee Services Agreement; (ii) the costs of printing, distribution and delivery of the Preliminary Official Statement and the Official Statement and any amendment or supplement thereto, in reasonable quantities, (iii) the fees for ratings agencies; (iv) the fees and expenses of the municipal advisor to the Issuer; (v) the fees and expenses of Note Counsel and Disclosure Counsel for the Issuer; (vi) the fees and disbursements of any Fiscal Agent, Trustee, engineers, accountants and other experts, consultants or advisers retained by the Issuer, if any and (vii) the costs and expenses related to transportation, lodging and meals of Issuer personnel and advisors.

(b) The Underwriters shall pay from the expense component of the underwriters' discount all other expenses incurred by them in connection with the public offering and distribution of the Notes, except as provided by the Issuer by agreement, including (i) the fees and disbursements of Underwriters' Counsel; (ii) all advertising expenses in connection with the public offering of the Notes; (iii) the cost of preparation, distribution and delivery of greater than 20 copies of the Official Statement; (iv) the costs of traveling and expenses of selling the Notes; (v) the fees charged by CDIAC; (vi) any fees charged by the MSRB; and (vii) Blue Sky fees. Notwithstanding that the Underwriters are required to pay the fees charged by CDIAC in connection with the offering of the Notes, the Issuer agrees to reimburse the Underwriters for such fees.

11. Any notice or other communication to be given to the Issuer under this Note Purchase Agreement may be given by delivering the same in writing to Port of Long Beach, Administration Building, 415 West Ocean Boulevard, Long Beach, California 90892, Attention: Managing Director, Finance and Administration or to such other person as he may designate in writing, and any notice or other communication to be given to the Representative under this Note Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing to:

Chris Mukai
Citigroup Global Markets Inc.
200 South Grand Avenue, 31st Floor
Los Angeles, CA 90071

The approval of the Representative when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by an authorized representative of the Representative and delivered to the Issuer.

12. For all purposes of this Note Purchase Agreement, a default shall not be deemed to be continuing if it has been cured, waived or otherwise remedied. This Note Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed within such state.

13. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the Issuer and the Representative. If the Official Statement is prepared for distribution in electronic form, the Issuer hereby confirms that it does not object to distribution of the Official Statement in electronic form.

14. This Note Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

15. This Note Purchase Agreement when accepted by the Issuer in writing as heretofore specified shall constitute the entire agreement between the Issuer and the Underwriters and is made solely for the benefit of the Issuer and the Underwriters (including the successors or assigns of the Underwriters). No other person shall acquire or have any right hereunder or by virtue hereof. This Note Purchase Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Note Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriters; (ii) delivery of and payment for the Notes pursuant to this Note Purchase Agreement; and (iii) any termination of this Note Purchase Agreement.

16. The Issuer acknowledges and agrees that (i) the purchase and sale of the Notes pursuant to this Note Purchase Agreement is an arm's-length commercial transaction between the Issuer and the Underwriters, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, each

Underwriter is and has been acting solely as a principal and is not acting as an agent or fiduciary of the Issuer, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters) and no Underwriter has any obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Note Purchase Agreement, and (iv) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

17. This Note Purchase Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

18. If any provision of this Note Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Note Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

19. For purposes of this Note Purchase Agreement, “business day” means any day on which the New York Stock Exchange is open for trading.

20. This Note Purchase Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Note Purchase Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto. This Note Purchase Agreement shall become a binding agreement between the Issuer and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

[Remainder of page intentionally left blank; signature page follows]

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.,
as Representative of the Underwriters

By: _____

ACCEPTED at ____ p.m. ET this ____ day of [
], 2020

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

By _____
Sam Joumblat, Managing Director,
Finance and Administration,
Harbor Department of the
City of Long Beach

APPROVED AS TO FORM:

J. CHARLES PARKIN, City Attorney

By _____
[Name]
Deputy City Attorney

(Signature Page to Note Purchase Agreement)

SCHEDULE I

[\$]
CITY OF LONG BEACH, CALIFORNIA
HARBOR REVENUE SHORT-TERM NOTES
SERIES 2020C

Due []	Principal Amount	Interest Rate	Yield	Price
	\$	%	%	

No Redemption of the Notes. The Notes are not subject to redemption prior to maturity.

EXHIBIT A

ISSUE PRICE CERTIFICATE OF REPRESENTATIVE

§[]
**CITY OF LONG BEACH, CALIFORNIA
HARBOR REVENUE SHORT-TERM NOTES
SERIES 2020C**

The undersigned Citigroup Global Markets Inc. (the “Representative”), on behalf of itself, on Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated (collectively, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”).

1. ***Sale of the [Notes][10% Maturities].*** As of the date of this Certificate, for each Maturity of the [Notes][10% Maturities], the first price at which a Substantial Amount of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the [Notes][Undersold Maturities].***

(a) The Underwriters offered the [Notes][Undersold Maturities] to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Notes is attached to this Certificate as Schedule B.

(b) As set forth in the Note Purchase Agreement, the Representative agreed in writing that, for each Maturity of the [Notes][Undersold Maturities], it will not allot unsold [Notes][Undersold Maturities] to any co-managers or selling group members during the Offering Period, it would neither offer nor sell any of the unsold Notes of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, the Representative has not offered or sold any unsold Notes of any Maturity of the [Notes][Undersold Maturities] at a price that is higher than the respective Initial Offering Price for that Maturity of the Notes during the Offering Period.

3. ***Pricing Wire or Equivalent Communication.*** A copy of the pricing wire or equivalent communication for the Notes is attached to this certificate as Schedule B.

4. ***Defined Terms.***

(a) *10% Test Maturities* means those Maturities of the Notes listed in Schedule A hereto as the “10% Test Maturities.”

(b) *Issuer* means the City of Long Beach, California, acting by and through its Board of Harbor Commissioners.

(c) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate maturities.

[(d) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Underwriters have sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.]

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Regulatory Underwriter or a related party to a Regulatory Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Regulatory Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is [], 2020.

(h) *Substantial Amount* means ten percent.

[(i) *Undersold Maturities* means those Maturities of the Notes shown in Schedule A hereto as the “Undersold Maturities.”]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Kutak Rock LLP, as Note Counsel to the Issuer, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Department from time to time relating to the Notes.

CITIGROUP GLOBAL MARKETS INC., as
Representative of the Underwriting Group

By _____

Dated: [], 2020.

SCHEDULE A

SALE PRICES

[\$]

**CITY OF LONG BEACH, CALIFORNIA
HARBOR REVENUE SHORT-TERM NOTES
SERIES 2020C**

<u>Due (December 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
	\$	%	%	

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

EXHIBIT B

[LETTERHEAD OF CITY ATTORNEY]

[CLOSING DATE]

City of Long Beach
Harbor Department
415 West Ocean Boulevard
Long Beach, California 90892

Citigroup Global Markets Inc.
300 South Grand Avenue, 31st Floor
Los Angeles, California 90071

Backstrom McCarley Berry & Co., LLC
[Address]

RBC Capital Markets, LLC
[Address]

Stifel, Nicolaus & Company, Incorporated
515 South Figueroa Street, Suite 1800
Los Angeles, California 90071

U.S. Bank National Association
633 West Fifth Street
Los Angeles, California 90071

RE: City of Long Beach, California, Harbor Revenue Short-Term Notes, Series 2020C

Ladies and Gentlemen:

I am the City Attorney to the City of Long Beach, California (the “City”), a charter city organized and existing under the laws of the State of California (the “State”). I am rendering the opinions, views and conclusions set forth herein in connection with the issuance of the above-captioned notes (the “Notes”). The Notes are authorized to be issued under the Charter of the City of Long Beach, California (the “City Charter”), Resolution No. HD-1475, adopted by the Board of Harbor Commissioners (the “Board”) on November 8, 1989, as amended and supplemented (the “Master Resolution”), Resolution No. HD-_____ adopted by the Board on December 9, 2019 (the “Twenty-Fourth Supplemental Resolution”), and Resolution No. RES-19-[] of the City Council of the City, adopted on December 10, 2019 (the “City Council Resolution”). Collectively herein, the Master Resolution and the Twenty-Fourth Supplemental Resolution shall be referred to as the “Board Resolution.” All capitalized terms used herein or as the context otherwise requires, shall have the meanings set forth in the Board Resolution.

In such connection, I have examined and reviewed the Board Resolution; Resolution No. HD-[] adopted by the Board on [], 2019 (“Resolution No. HD-[]”); the City Council

Resolution; the Fiscal Agent Agreement, dated February [], 2020 (the “Fiscal Agent Agreement”), by and between the City, acting by and through the Board, and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”); the Note Purchase Agreement, dated [], 2020 (the “Note Purchase Agreement”) by Citigroup Global Markets Inc., on behalf of itself, Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated, and accepted by the City, acting by and through the Board; the Continuing Disclosure Certificate, dated [], 2020 (the “Continuing Disclosure Certificate”), by the City, acting by and through the Board; the Official Statement, dated [], 2020 with respect to the Notes (the “Official Statement”); the Tax Compliance Certificate, dated [], 2020 (the “Tax Compliance Certificate”), by the City, acting by and through the Board; the Trustee Services Agreement, dated [], 2020 (the “Trustee Services Agreement”), by and between the City and U.S. Bank National Association, as trustee (the “Trustee”); and such other documents and matters as I have deemed necessary to render the opinions, views and conclusions set forth herein (collectively, the “Reviewed Materials”). The Fiscal Agent Agreement, the Note Purchase Agreement, the Continuing Disclosure Certificate and the Tax Compliance Certificate are collectively hereinafter referred to as the “Note Documents.”

The opinions, views and conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. The enforceability of the Board Resolution, Resolution No. HD-[], the City Council Resolution, the Note Documents and the Trustee Services Agreement, to the extent such opinions, views and conclusions are given herein, may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, or other laws affecting the enforcement of creditors’ rights and the application of equitable principles (regardless of whether the issue of enforceability is considered in a proceeding at law or in equity).

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, I am of the opinion that:

(a) The City is a municipal corporation duly organized and validly existing under and by virtue of the City Charter and the Constitution and laws of the State of California;

(b) The Board Resolution and Resolution No. HD-[] were duly adopted at meetings of the Board, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and have not been amended from the dates of their respective adoption;

(c) The City Council Resolution was duly adopted at meeting of the City Council, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and has not been amended from the date of its respective adoption;

(d) Except as disclosed in the Official Statement, to my knowledge, after due investigation (which only involved conversations with the City Clerk and the Administrative Officer of the Board), there is no action, suit, proceeding or investigation at law or in equity, before or by any court, public board or body pending, which has been

served on the City, or threatened against or affecting the City or the Board to restrain or enjoin the City's or the Board's participation in, or in any way contesting the existence of the City or the powers of the City and the Board with respect to, the transactions contemplated by the Board Resolution, Resolution No. HD-[], the City Council Resolution, the Note Documents, the Official Statement and the Trustee Services Agreement and the consummation of such transactions;

(e) Except as disclosed in the Official Statement, there does not exist any action, suit, proceeding or investigation pending, or to my knowledge after due investigation (which only involved conversations with the City Clerk and the Administrative Officer of the Board) threatened, which if adversely determined, could (i) materially adversely affect (A) the financial position of the Department; (B) the ability of the City, acting by and through the Board, to perform its obligations under the Board Resolution, Resolution No. HD-[] and the Note Documents; (C) the security of the Notes; or (D) the transactions contemplated by the Board Resolution, Resolution No. HD-[], the Note Documents and the Official Statement; or (ii) materially impair the ability of the City, acting by and through the Board, to maintain and operate the Port of Long Beach and all related facilities;

(f) To my knowledge, the adoption of the Board Resolution, the execution and delivery of the Notes, the Note Documents and the Official Statement and compliance with the terms thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the City or the Board a breach of or default under any agreement or other instrument to which the City and the Board are parties or by which they are bound or any court order or consent decree to which the City or the Board is subject;

(g) The Notes have been duly issued, authorized, executed and delivered by the City and the Board;

(h) The Note Documents and the Official Statement have been duly authorized, executed and delivered by the City, acting by and through the Board;

(i) The Trustee Services Agreement has been duly authorized, executed and delivered by the City; and

(j) To my knowledge, no authorization, approval, consent or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the City is required for the valid adoption of the Board Resolution or Resolution No. HD-[], or the valid authorization, execution and delivery by the City and the Board of the Notes, the Note Documents or the Official Statement.

Based upon, in reliance upon and subject to, as applicable, (i) the information made available to me in the course of my participation in the preparation of the Official Statement, (ii) the Reviewed Materials and (iii) the assumptions, qualifications and limitations contained in this letter, I advise the City, the Department and the Underwriters, as a matter of fact and not opinion, that no information came to my attention that caused me to believe that the information

contained under the caption "LITIGATION" in the Official Statement, as of its date contained, or as of the date of this letter contains, any untrue statement of a material fact or, as of its date omitted, or as of the date of this letter omits, to state any material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

This letter is limited to the specific views and conclusions expressed herein, and no further opinions, views and conclusions are intended to be, or should be, inferred therefrom. By acceptance of this letter the City, the Department and the Underwriters acknowledge that any view or conclusion stated in the preceding paragraph constitutes neither a legal opinion nor a guarantee regarding the Official Statement. Instead, any such views and conclusions constitute a statement of negative assurance regarding my view and conclusion as to any material misstatements or omissions in the Official Statement based on the limited activities discussed above performed by me. Further, in accepting this letter the City, the Department and the Underwriters recognize and acknowledge that (i) the scope of those activities performed by me were inherently limited and do not encompass all activities that the City, the Department or an Underwriter, as the case may be, may be responsible to undertake in preparing and/or reviewing the Official Statement, (ii) those activities performed by me relied substantially on representations, warranties, certifications and opinions made by the City, the Department, the Board and the Underwriters and are otherwise subject to the matters set forth in this letter and (iii) while such statements of negative assurance are customarily given to underwriters of municipal notes to assist them in discharging their responsibilities under federal securities laws, the responsibilities of the City and the Department under those laws may differ from those of underwriters in material respects, and my views and conclusions may not serve the same purpose or provide the same utility as it would to underwriters. I advise the City, the Department and the Underwriters that, other than reviewing the various certificates and opinions regarding the Official Statement delivered in connection with the issuance of the notes, I have not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Official Statement as of the date hereof. My conclusion in the preceding paragraph is limited to matters of federal securities laws and I assume no responsibility with respect to the applicability or effect of the laws of any other jurisdiction.

I am a member of the Bar of the State of California. Accordingly, my opinions, views and conclusions are only rendered in respect of the laws of the State of California and to the extent that my opinions, views and conclusions extend to any document which purports to be governed by the laws of any jurisdiction other than the laws of the State of California, my opinion, views and conclusions assume that the laws of any such other jurisdiction are identical to the laws of the State of California. The opinions, views and conclusions given herein are given in an official capacity and not personally and no personal liability shall derive therefrom.

I have no attorney-client relationship with the Underwriters with respect to this matter. This letter is not intended to be, and may not be, relied upon by the owners of the Notes. I am rendering this letter to you solely for your benefit upon the understanding that, as I have advised you and as you have agreed, I am not hereby assuming any professional responsibility to any other person whatsoever. This letter may not be used or relied upon by or published or communicated to any other party for any purpose whatsoever without my prior written approval in each instance; except that copies of this letter may be used, published or communicated to

(collectively, “published”) to (a) any accountant or lawyer for any person entitled to rely upon this letter or to whom it may be published or (b) pursuant to the order of any court or regulator of any person entitled to rely upon this letter or to whom it may be published.

Very truly yours,

J. CHARLES PARKIN, City Attorney

By: _____
Deputy City Attorney

EXHIBIT C

[LETTERHEAD OF HAWKINS DELAFIELD & WOOD LLP]

[Closing Date]

City of Long Beach
Long Beach, California

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

Citigroup Global Markets Inc., as Representative of the Underwriters
Los Angeles, California

March [3], 2020

\$_[_____]

City of Long Beach, California, Harbor Revenue Short-Term Notes, Series 2020C

Ladies and Gentlemen:

We have acted as special Disclosure Counsel to the City of Long Beach, acting by and through its Board of Harbor Commissioners (the “Issuer”) in connection with its Preliminary Official Statement dated [_____], 2020 (the “Preliminary Official Statement”) and its final Official Statement dated [_____], 2020 (the “Official Statement”) in each case relating to the \$[_____] City of Long Beach, California, Harbor Revenue Short-Term Notes, Series 2020C (the “Series 2020C Senior Notes”). The Series 2020C Senior Notes are authorized and being issued pursuant to Article XII of the Charter, Title 3, Chapter 3.52, Division I of the Municipal Code of the City, certain provisions of the Revenue Bond Law of 1941, Section 54300, *et seq.*, of the Government Code of the State of California, Resolution No. HD-[____], adopted by the Board on January [13], 2020 (“Resolution No. HD-[____]”), Resolution No. HD-1475, adopted by the Board on November 8, 1989, as amended and supplemented (the “Master Senior Resolution”), and the Twenty-Fourth Supplemental Senior Resolution, Resolution No. HD-[____], adopted by the Board on February [24], 2020 (the “Twenty-Fourth Supplemental Senior Resolution,” and together with the Master Senior Resolution, the “Senior Resolution”). Capitalized terms used in this letter and not otherwise defined herein shall have the meanings provided by the Official Statement.

The Preliminary Official Statement and the Official Statement are each the Issuer’s document and as such the Issuer is responsible for the content of each. The statements made and the information contained in the Preliminary Official Statement and the Official Statement were reviewed for their accuracy, completeness, and materiality by representatives of the Issuer. The purpose of our engagement was not to independently establish, confirm, or verify the factual matters set forth in the Preliminary Official Statement or the Official Statement and we have not done so. Moreover, many of the determinations required to be made in the preparation of the Preliminary Official Statement and the Official Statement involve wholly or partially matters of a non-legal character. We do not, therefore, take any responsibility for the factual matters set

forth in the Preliminary Official Statement or the Official Statement and we undertake herein only to express certain limited negative assurances regarding the same.

The purpose of our engagement by you as the Issuer was to provide certain limited negative assurances to the Underwriters. In separately requesting and accepting this letter, you recognize and acknowledge that: (i) the scope of those activities performed by us were inherently limited and do not encompass all activities that you as the Issuer may be responsible to undertake in preparing the Preliminary Official Statement and the Official Statement; (ii) those activities performed by us relied substantially on representations, warranties, certifications and opinions made by representatives of the Issuer and others, and are otherwise subject to the matters set forth in this letter; and (iii) while such statements of negative assurance are customarily given to underwriters of municipal bonds to assist them in discharging their responsibilities under the federal securities laws, the responsibilities of the Issuer under those laws may differ from those of Underwriters in material respects, and this letter may not serve the same purpose or provide the same utility to you as the Issuer as it would to the Underwriters.

In giving the limited assurances hereinafter expressed, we are not expressing any opinion or view on, but have ourselves assumed and relied upon, the validity, accuracy and sufficiency of the records, documents, certificates and opinions executed and delivered in connection with the issuance of the Series 2020C Senior Notes. Without limiting the foregoing statement, we have relied, without independently opining upon the legal conclusions expressed and without independently verifying the factual matters represented, on the legal opinions that we have reviewed.

Also, this letter does not address: (i) CUSIP numbers; (ii) any financial statements contained in the Preliminary Official Statement and the Official Statement, including any information in Appendix A to the Preliminary Official Statement and the Official Statement; (iii) any financial, demographic, statistical or economic data, estimates, projections, numbers, assumptions, charts, graphs, tables, or expressions of opinion contained in the Preliminary Official Statement and the Official Statement; (iv) the TAX MATTERS section; (v) information relating to the book-entry-only system, including information in Appendix F to the Preliminary Official Statement and the Official Statement; and (vi) information in Appendix A, B, C, E and F to the Preliminary Official Statement and the Official Statement.

In our capacity as special Disclosure Counsel, we participated in meetings and conference calls with representatives of the City of Long Beach, the Harbor Department of the City of Long Beach, the City Attorney, Public Resources Advisory Group, as Municipal Advisor, Kutak Rock LLP as Bond Counsel, the Underwriters, counsel to the Underwriters, and others, during which the contents of the Preliminary Official Statement and the Official Statement were discussed and reviewed. Based upon such participation, and information disclosed to us in the course of our representation of the Issuer as special Disclosure Counsel, considered in light of our understanding of the applicable law and the experience we have gained through our practice of law, and subject to all of the foregoing in this letter including the qualifications respecting the scope and nature of our engagement, we advise you, as a matter of fact but not opinion, that, during the course of our engagement as special Disclosure Counsel with respect to the Preliminary Official Statement and the Official Statement, (i) no facts came to the attention of the attorneys of our firm rendering legal services in connection with this matter

that caused them to believe that the Preliminary Official Statement, as of the date of the Preliminary Official Statement contained any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and (ii) no facts came to the attention of the attorneys of our firm rendering legal services in connection with this matter that caused them to believe that the Official Statement, as of the date of the Official Statement or as of the date of the Closing, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. During the period from the date of the Official Statement to the date of this letter, except for our review of the transcript of proceedings relating to the issuance of the Series 2020C Senior Notes and the certificates and opinions regarding the Series 2020C Senior Notes and the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended to or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Official Statement.

This letter refers only to disclosure relating to the Series 2020C Senior Notes as delivered to the Underwriters by the Issuer, and no view is expressed as to any offering of derivative instruments, if any, relating to the Series 2020C Senior Notes.

We assume no obligation to update, revise or supplement this letter to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or for any other reason.

We are not expressing any opinion with respect to the authorization, execution, delivery or validity of the Series 2020C Senior Notes, or the exclusion from gross income for federal income tax purposes of interest on the Series 2020C Senior Notes.

This letter is furnished by us solely for your benefit in your capacity as the Issuer and as the Representative of the Underwriters and may not be relied upon by any other person or entity, except as may be expressly authorized by us in writing. This letter is being delivered to the Representative of the Underwriters to satisfy Section 8(f)(v) of the Bond Purchase Agreement, is not intended to create and does not create an attorney-client relationship with the Underwriters, and may not be sufficient in itself to satisfy whatever responsibilities the Underwriters may have to establish a reasonable basis for belief in the accuracy of the key representations in the Preliminary Official Statement or the Official Statement or otherwise to satisfy their obligations under applicable securities laws. This letter is not to be used, circulated, quoted or otherwise referred to in connection with the offering of the Series 2020C Senior Notes, except that reference may be made in any list of closing documents pertaining to the issuance of the Series 2020C Senior Notes.

Very truly yours,

FISCAL AGENT AGREEMENT

by and between

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

and

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

Relating to:

[\$[PARA]]
City of Long Beach, California
Harbor Revenue Short-Term Notes
Series 2020C

Dated [●], 2020

FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT, dated [•], 2020 (this “*Fiscal Agent Agreement*”), is entered into by and between **CITY OF LONG BEACH, CALIFORNIA**, a municipal corporation acting by and through its Board of Harbor Commissioners (the “*Issuer*”), and **U.S. BANK NATIONAL ASSOCIATION**, as fiscal agent (the “*Fiscal Agent*”).

RECITALS

WHEREAS the Issuer has duly authorized and provided for the issuance of its “City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C” (the “*Series 2020C Senior Notes*”) in an aggregate principal amount of \$[PAR], which will be issued as fully registered bonds without coupons;

WHEREAS the Issuer will ensure all things necessary to make the Series 2020C Senior Notes the valid obligations of the Issuer, in accordance with their terms, will be done upon the issuance and delivery thereof;

WHEREAS the Issuer and the Fiscal Agent wish to provide the terms under which the Fiscal Agent will pay the principal of and interest on the Series 2020C Senior Notes, in accordance with the terms thereof, under which the Fiscal Agent will act as registrar for the Series 2020C Senior Notes, and under which the Fiscal Agent will comply with all applicable provisions of the Resolution (as hereinafter defined);

WHEREAS the Fiscal Agent has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Fiscal Agent for the Series 2020C Senior Notes as detailed in the Resolution;

WHEREAS the Issuer has duly authorized the execution and delivery of this Fiscal Agent Agreement; and all things necessary to make this Fiscal Agent Agreement a valid agreement have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I

DEFINITIONS

For all purposes of this Fiscal Agent Agreement except as otherwise expressly provided or unless the context otherwise requires:

“*Authorized Board Representative*” shall have the meaning set forth in the Resolution.

“*Bond Register*” means the book or books of registration kept by the Fiscal Agent in which are maintained the names and addresses and principal amounts registered to each Owner.

“*Fiscal Agent*” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or any successor thereto.

“*Issuer*” means the City of Long Beach, California, acting by and through its Board of Harbor Commissioners.

“*Owner*” means the Person in whose name a Series 2020C Senior Note is registered.

“*Person*” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

“*Resolution*” means, collectively, Resolution No. HD-1475 adopted by the Board of Harbor Commissioners of the City of Long Beach, California on November 8, 1989, as amended and supplemented, including as supplemented by Resolution No. HD-[•] adopted by the Board of Harbor Commissioners of the City of Long Beach, California on [•], 2020 pursuant to which the Series 2020C Senior Notes were issued.

“*Series 2020C Senior Bonds*” means the City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C.

ARTICLE II

APPOINTMENT OF FISCAL AGENT

Section 2.01. Appointment and Acceptance. The Issuer hereby appoints the Fiscal Agent to pay to the Owners in accordance with the terms and provisions of this Fiscal Agent Agreement and the Resolution, the principal of and interest on the Series 2020C Senior Notes.

The Issuer hereby appoints the Fiscal Agent as registrar with respect to the Series 2020C Senior Notes. As registrar, the Fiscal Agent shall keep and maintain for and on behalf of the Issuer, books and records as to the ownership of the Series 2020C Senior Notes and with respect to the transfer and exchange thereof as provided herein and in the Resolution.

The Fiscal Agent hereby accepts its appointment, and agrees to perform the duties of the Fiscal Agent set forth in this Fiscal Agent Agreement and the Resolution.

Section 2.02. Compensation. As compensation for the Fiscal Agent’s services, the Issuer hereby agrees to pay the Fiscal Agent the fees and amounts set forth in Exhibit A attached hereto and by this reference made a part hereof.

ARTICLE III

DUTIES OF FISCAL AGENT

Section 3.01. Payments. The Fiscal Agent shall pay on behalf of the Issuer the principal of and interest on each Series 2020C Senior Note in accordance with the provisions of the Resolution.

Section 3.02. Payment Dates. The Issuer hereby instructs the Fiscal Agent to pay the principal of and interest on the Series 2020C Senior Notes on the dates specified in the Resolution.

Section 3.03. Initial Delivery of Series 2020C Senior Notes. The Series 2020C Senior Notes shall be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company. The Fiscal Agent will, on the date of initial delivery, deliver Series 2020C Senior Notes of authorized denominations, registered in the name of Cede & Co., as nominee of The Depository Trust Company, in accordance with the provisions of the Resolution.

Section 3.04. Registration Duties. The Fiscal Agent shall provide for the proper registration of, transfer, exchange and replacement of the Series 2020C Senior Notes in accordance with the Resolution.

Section 3.05. Unauthenticated Series 2020C Senior Notes. If the Series 2020C Senior Notes are not registered with a securities depository pursuant to a book-entry system, then the Issuer shall provide to the Fiscal Agent on a continuing basis, an adequate inventory of unauthenticated Series 2020C Senior Notes to facilitate transfers. The Fiscal Agent agrees that it will maintain such unauthenticated Series 2020C Senior Notes in safekeeping.

Section 3.06. Form of Note Register. The Fiscal Agent will maintain its records in accordance with the Fiscal Agent's general practices and procedures in effect from time to time, subject always to the provisions of the Resolution.

Section 3.07. Reports. The Issuer may request the information in the Bond Register at any time the Fiscal Agent is customarily open for business, provided that reasonable time is allowed to the Fiscal Agent to provide an up-to-date listing and to convert the information into written form.

The Fiscal Agent will not release or disclose the content of the Bond Register to any person other than to the Issuer at its written request, except upon receipt of a subpoena or court order or as may otherwise be required by law or permitted by the Resolution. Upon receipt of a subpoena or court order the Fiscal Agent will notify the Issuer.

Section 3.08. Cancelled Series 2020C Senior Notes. All Series 2020C Senior Notes surrendered for payment, transfer, exchange, or replacement, if surrendered to the Fiscal Agent, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Fiscal Agent and, if not already cancelled, shall be promptly cancelled by the Fiscal Agent. The Issuer may at any time deliver to the Fiscal Agent for cancellation any Series 2020C Senior Notes previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Series 2020C Senior Notes so delivered shall be promptly cancelled by the Fiscal Agent. All cancelled Series 2020C Senior Notes held by the Fiscal Agent for its retention period then in effect shall thereafter be destroyed and evidence of such destruction shall be furnished to the Issuer upon its written request.

Section 3.09. Undertakings. The Fiscal Agent undertakes to perform the express duties set forth herein and in the Resolution and shall be bound by the provisions of the Resolution applicable to it as Fiscal Agent. No implied duties or obligations shall be read into this Fiscal Agent Agreement against the Fiscal Agent. The Fiscal Agent hereby agrees to use the funds

deposited with it for payment of the principal of and interest on the Series 2020C Senior Notes to pay the same as it shall become due, and further agrees to establish and maintain such accounts and funds as may be required in the Resolution.

The Fiscal Agent shall have the right to pursue such tort claims as may arise hereunder (but excluding any claims of any investor of the Series 2020C Senior Notes, such as violation of any state or federal securities law claim). The Fiscal Agent shall have no duty to invest any moneys deposited with it by the Issuer with respect to the Series 2020C Senior Notes. The Fiscal Agent shall have no duty or obligation to make any payment on the Series 2020C Senior Notes unless the Issuer shall have deposited sufficient funds to pay all such amounts with the Fiscal Agent. The Fiscal Agent shall not be liable under the Resolution or this Fiscal Agent Agreement except to the extent of its negligence or willful misconduct. The Fiscal Agent shall not be liable for any error in judgment made by it in good faith. No provision of this Fiscal Agent Agreement or the Resolution shall require the Fiscal Agent to risk, expend or advance its own funds in the performance of its duties as Fiscal Agent, or in the exercise of any of its rights or powers. The Fiscal Agent in its individual or any other capacity may become the Owner or pledgee of the Series 2020C Senior Notes with the same rights it would have if it were not the Fiscal Agent for the Series 2020C Senior Notes. The Fiscal Agent may conclusively rely, as to the truth of the statements and correctness of the opinion expressed therein, on certificates or opinions furnished to the Fiscal Agent by or on behalf of the Issuer. The Fiscal Agent may consult with legal counsel with regards to legal questions, and the opinion or advice of such legal counsel shall be full protection and authorization for any action taken or not taken by the Fiscal Agent in reliance upon the opinion or advice of such legal counsel. The Fiscal Agent may perform any of its duties under this Fiscal Agent Agreement or the Resolution directly or through its agents or attorneys and shall not be responsible for the actions of such agents or attorneys if such agents or attorneys were appointed by it with reasonable care.

Section 3.10. Other Transactions. The Fiscal Agent may engage in or be interested in any financial or other transaction with the Issuer.

Section 3.11. Indemnification. To the extent permitted by law, the Issuer shall indemnify the Fiscal Agent, its officers, directors, employees and agents for, and hold them harmless against any loss, cost, claim, liability or expense arising out of or in connection with the Fiscal Agent's acceptance or administration of the Fiscal Agent's duties hereunder or under the Resolution (except any loss, liability or expense as may be adjudged in a nonappealable judgment by a court of competent jurisdiction to be attributable to the Fiscal Agent's negligence or willful misconduct), including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Fiscal Agent Agreement. Such indemnity shall survive the termination or discharge of this Fiscal Agent Agreement or discharge of the Series 2020C Senior Notes.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Amendment. This Fiscal Agent Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 4.02. Assignment. This Fiscal Agent Agreement may not be assigned by either party without the prior written consent of the other party.

Section 4.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Fiscal Agent shall be mailed or delivered to the Issuer or the Fiscal Agent, respectively, at the following addresses, or such other address as may have been given by one party to the other by fifteen (15) days' written notice.

Issuer: Harbor Department of City of Long Beach
415 West Ocean Boulevard
Long Beach, California 90802
Attn: Managing Director, Finance and
Administration

Fiscal Agent: U.S. Bank National Association
Global Corporate Trust
633 West Fifth Street, 24th Floor
LM-CA-T24T
Los Angeles, California 90071
Attn: Ilse Vlach

Section 4.04. Third-Party Beneficiaries. The Owners of the Series 2020C Senior Notes are hereby recognized as third-party beneficiaries of this Fiscal Agent Agreement.

Section 4.05. Entire Agreement. This Fiscal Agent Agreement and the Resolution constitute the entire agreement between the parties hereto relative to the Fiscal Agent.

Section 4.06. Term and Termination. This Fiscal Agent Agreement shall be effective from and after its date and until the Fiscal Agent resigns or is removed in accordance with the Resolution; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties of the Fiscal Agent under and in accordance with the Resolution. In the event of resignation or removal of the Fiscal Agent, upon the written request of the Issuer and upon payment of the amounts owing to the Fiscal Agent hereunder, the Fiscal Agent shall deliver to the Issuer or its designee all funds and authenticated and unauthenticated Series 2020C Senior Notes, and a copy of the Bond Register.

Section 4.07. Governing Law. This Fiscal Agent Agreement shall be construed in accordance with and shall be governed by the laws of the State of California.

Section 4.08. Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 4.09. Successors and Assigns. All covenants and agreements herein by the Issuer and the Fiscal Agent shall bind their successors and assigns, whether so expressed or not.

Section 4.10. Severability. If any provision of this Fiscal Agent Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 4.11. Counterparts. This Fiscal Agent Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Fiscal Agent Agreement as of the day and year first above written.

CITY OF LONG BEACH, CALIFORNIA, acting by and through its BOARD OF HARBOR COMMISSIONERS

By _____
Sam Joublat, Managing Director, Finance and Administration, Harbor Department of the City of Long Beach, California

Approved as to form:

J. CHARLES PARKIN, City Attorney

By _____
Lauren E. Misajon
Deputy City Attorney

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By _____
Authorized Representative

[Signature page to Fiscal Agent Agreement]

EXHIBIT A

SCHEDULE OF FEES FOR SERVICES AS FISCAL AGENT

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Certificate”) is executed and delivered by the City of Long Beach, California, acting by and through its Board of Harbor Commissioners (the “Issuer”) in connection with the issuance of \$_____ City of Long Beach, California, Harbor Revenue Short-Term Notes, Series 2020C (the “Series 2020C Senior Notes”), pursuant to the terms of Resolution No. HD-1475, adopted by the Board of Harbor Commissioners of the City of Long Beach, California (the “Board”) on November 8, 1989, as amended and supplemented, and Resolution No. HD-____, adopted by the Board on December [9], 2019 (collectively, the “Senior Resolution”).

In consideration of the purchase of the Series 2020C Senior Notes by the Participating Underwriter (as defined below), the Issuer covenants and agrees as follows:

Section 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Series 2020C Senior Notes and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”).

Section 2. Definitions. In addition to the definitions set forth in the Senior Resolution, which apply to any capitalized term used in this Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 hereof.

“*Beneficial Owner*” means any person which (a) has or shares the power, directly or indirectly, to vote or consent with respect to, to make investment decisions concerning the ownership of, or to dispose of ownership of, any Series 2020C Senior Notes (including persons holding Series 2020C Senior Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2020C Senior Notes for federal income tax purposes.

“*Dissemination Agent*” means the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“*EMMA System*” means the MSRB’s Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

“*Fiscal Year*” means the period beginning on October 1 of each year and ending on the next succeeding September 30, or any other 12-month period hereafter selected as the official fiscal year of the Issuer.

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

“*Holders*” means either the registered owners of the Series 2020C Senior Notes, or if the Series 2020C Senior Notes are registered in the name of The Depository Trust Company or other recognized securities depository, any applicable participant in its depository system.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal

securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*Listed Events*” means any of the events listed in Sections 5(a) and 5(b) hereof.

“*MSRB*” means the Municipal Securities Rulemaking Board, or any successor thereto.

“*Obligated Person*” means the Issuer and any other “obligated person” within the meaning of the Rule.

“*Official Statement*” means the Official Statement, dated January [23], 2020, prepared and distributed in connection with the initial sale of the Series 2020C Senior Notes.

“*Participating Underwriter*” means any of the original underwriters of the Series 2020C Senior Notes required to comply with the Rule in connection with the offering of the Series 2020C Senior Notes.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Issuer shall provide, or shall cause the Dissemination Agent to provide, to the MSRB through the EMMA System (in an electronic format and accompanied by identifying information all as prescribed by the MSRB and/or the Rule) an Annual Report which is consistent with the requirements of Section 4 hereof by April 30 of each year. The Issuer’s first Annual Report shall be due April 30, 2020. Not later than 15 Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 hereof. The audited financial statements of the Harbor Department may be submitted separately from the balance of the Annual Report if they are not available by the date of submission, provided such financial statements are submitted by April 30 of each year. If the Issuer’s Fiscal Year changes, the Issuer, upon becoming aware of such change, shall give notice of such change in the same manner as for a Listed Event under Section 5(e) hereof.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent (if other than the Issuer) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with subsection (a).

(c) If the Issuer is unable to provide to the MSRB or the Dissemination Agent (if other than the Issuer), an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB through the EMMA System in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent (if other than the Issuer) shall confirm in writing to the Issuer that the Annual Report has been filed as required hereunder, stating the date filed.

Section 4. Content of Annual Reports.

(a) The Issuer's Annual Report shall contain or incorporate by reference the following, updated to incorporate information for the most recent Fiscal Year or calendar year, as applicable (the tables referred to below are those appearing in the Official Statement relating to the Series 2020C Senior Notes, unless otherwise noted):

(i) The audited financial statements of the Harbor Department for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Harbor Department's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(ii) Table 2—Harbor Department of the City of Long Beach, Senior Bonds & Notes Debt Service Requirements (but only to the extent such information has changed).

(iii) Table 3—Harbor Department of the City of Long Beach, Senior Debt Service Coverage.

(iv) Table 4—Harbor Department of the City of Long Beach, Revenue Tonnage and TEU Summary.

(v) Table 6—Harbor Department of the City of Long Beach, Cargo Summary.

(vi) Table 8—Harbor Department of the City of Long Beach, Sources of Operating Revenues.

(vii) Table 11—Harbor Department of the City of Long Beach, Comparative Summary of Statements of Revenues, Expenses and Changes in Net Position.

(b) All or any portion of the information of the Annual Report may be incorporated in the Annual Report by cross reference to any other documents which have been filed with the MSRB.

(c) Information contained in an Annual Report for any Fiscal Year containing any modified operating data or financial information (as contemplated by Section 8 hereof) for such Fiscal Year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such Fiscal Year. If a change in accounting principles is included in any such modification, such Annual Report shall present a comparison between the financial statements or information prepared on the basis of modified accounting principles and those prepared on the basis of former accounting principles.

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been

submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2020C Senior Notes not later than ten (10) business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions with respect to the tax status of the Series 2020C Senior Notes or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Series 2020C Senior Notes;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the Obligated Person; or
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

Note: for the purposes of the event identified in item 9, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

The Issuer notes that items 2, 3 and 4 are not applicable to the Series 2020C Senior Notes.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2020C Senior Notes, if material, not later than ten (10) business days after the occurrence of the event:

1. Unless described in Section 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2020C Senior Notes or other material events affecting the tax status of the Series 2020C Senior Notes;

2. Modifications to rights of the Beneficial Owners or Holders of the Series 2020C Senior Notes;

3. Optional, unscheduled or contingent bond calls;

4. Release, substitution or sale of property securing repayment of the Series 2020C Senior Notes;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. Appointment of a successor or additional trustee/fiscal agent or the change of name of a trustee/fiscal agent; or

8. Incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect holders of the Series 2020C Senior Notes.

(c) The Issuer shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a) hereof, as provided in Section 3 hereof.

(d) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the Issuer shall determine if such event would be material under applicable federal securities laws.

(e) If the Issuer learns of an occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the Issuer shall within ten (10) business days of such occurrence file a notice of such occurrence with the MSRB through the EMMA System in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in Sections 5(a)(7) or 5(b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Beneficial Owners and Holders of the affected Series 2020C Senior Notes pursuant to the Senior Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment of amounts fully sufficient to pay and discharge the Series 2020C Senior Notes, or upon delivery to the Dissemination Agent (if other than the Issuer) of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the Series 2020C Senior Notes, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(e) hereof.

Section 7. Dissemination Agent. From time to time, the Issuer may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than the Issuer) shall be entitled to reasonable compensation for its services hereunder and reimbursement of its out of pocket expenses (including, but not limited to, attorneys' fees). The Dissemination Agent (if other than the Issuer) shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Certificate.

Section 8. Amendment Waiver. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, and any provision of this Certificate may be waived, provided that all of the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, change in law (including rules or regulations) or in interpretations thereof, or change in the identity, nature or status of an Obligated Person with respect to the Series 2020C Senior Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2020C Senior Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Series 2020C Senior Notes in the same manner as provided in the Senior Resolution for amendments to the Senior Resolution with the consent of Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Beneficial Owners of the Series 2020C Senior Notes.

In the event of any amendment or waiver of a provision of this Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e) hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Certificate, any Holder or Beneficial Owner of the Series 2020C Senior Notes may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer or the Dissemination Agent (if other than the Issuer), as the case may be, to comply with its obligations under this Certificate; provided that any such Holder or Beneficial Owner may not take any enforcement action without the consent of the Holders of not less than 25% (twenty-five percent) in aggregate principal amount of the Series 2020C Senior Notes that at the time are Outstanding. A default under this Certificate shall not be deemed a default under the Senior Resolution and the sole remedy under this Certificate in the event of any failure of the Issuer or the Dissemination Agent (if other than the Issuer) to comply with this Certificate shall be an action to compel performance. Under no circumstances shall any person or entity be entitled to recover monetary damages hereunder in the event of any failure of the Issuer or the Dissemination Agent (if other than the Issuer) to comply with this Certificate. No Holder or Beneficial Owner of the Series 2020C Senior Notes may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the Issuer satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the Issuer shall have refused to comply therewith within a reasonable time.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are expressly and specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any claims, losses, expenses and liabilities which such Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties given to the Dissemination Agent hereunder, including the costs and expenses (including attorneys' fees) of defending, in any manner or forum, against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct, subject to the provisions of the Senior Resolution. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2020C Senior Notes.

Section 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Series 2020C Senior Notes, and shall create no rights in any other person or entity.

Section 13. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Issuer shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof, and the Beneficial Owners of the Series 2020C Senior Notes shall retain all the benefits afforded to them hereunder. The Issuer hereby declares that it would have executed and delivered this Certificate and each and every other article, section,

paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 14. Governing Law. This Certificate was made in the City of Long Beach and shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Long Beach, without regard to conflict of law principles. Any litigation, action or proceeding to enforce or interpret any provision of this Certificate or otherwise arising out of, or relating to this Certificate, shall be brought, commenced or prosecuted in a State or Federal court in the County of Los Angeles in the State of California. By its acceptance of the benefits hereof, any person or entity bringing any such litigation, action or proceeding submits to the exclusive jurisdiction of the State of California and waives any defense of forum non conveniens.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned has hereunto signed and executed this Continuing Disclosure Certificate this [19]th day of February, 2020.

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

[Signature page to Continuing Disclosure Certificate]

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Long Beach, California
Name of Bond Issue: Harbor Revenue Short-Term Notes, Series 2020C
Name of Obligated Person: Harbor Department of the City of Long Beach, California
Date of Issuance: February [19], 2020
CUSIP: [_____]__

NOTICE IS HEREBY GIVEN that the City of Long Beach, acting by and through its Board of Harbor Commissioners (the "Issuer"), has not provided an Annual Report with respect to the above-named Series 2020C Senior Notes as required by Section 3 of the Continuing Disclosure Certificate, dated February [19], 2020, by the Issuer. The Issuer anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____.

CITY OF LONG BEACH, CALIFORNIA, acting by
and through its BOARD OF HARBOR
COMMISSIONERS

By _____
Authorized Representative

RESOLUTION NO. RES-20-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE ISSUANCE BY THE BOARD OF HARBOR COMMISSIONERS, ON BEHALF OF THE CITY OF LONG BEACH, OF HARBOR REVENUE REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$175,000,000 AND HARBOR REVENUE SHORT-TERM NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$145,000,000 SECURED BY HARBOR DEPARTMENT REVENUES AND CERTAIN OTHER MATTERS

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

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

WHEREAS, the Board, acting on behalf of the City pursuant to Article XII of the Charter and certain sections of the Municipal Code, proposes to issue one or more series of Harbor Revenue Refunding Bonds in an aggregate principal amount not to exceed \$175,000,000 (the “Series 2020 Senior Bonds”) for the purposes of (a) current refunding and defeasing all or a portion of the City’s outstanding Harbor Revenue Bonds, Series 2010A, and Harbor Revenue Refunding Bonds, Series 2010B, (b) if determined by the President of the Board (including any Acting President or Interim President), the Vice President of the Board (including any Acting Vice President or Interim Vice President), the Executive Director of the Harbor Department of the City (the “Harbor Department”) (including any Acting Executive Director or Interim Executive Director), the Managing Director, Finance and Administration of the Harbor Department (including any Acting Managing Director, Finance and Administration or Interim Managing Director, Finance and Administration) and/or the Director of Finance of the Harbor Department (including any Acting Director of Finance or Interim Director of Finance) (each a “Designated Officer”) to be in the best interest of the Harbor Department, providing for credit support for all or a portion of the Series 2020 Senior Bonds, and (c) paying the financing costs and the costs of issuing the Series 2020 Senior Bonds, all pursuant to Resolution No. HD-1475 adopted by the Board on November 8, 1989, as amended and supplemented (the “Master Resolution”), and to be further supplemented by a supplemental resolution to be adopted by the Board after the execution and delivery of the bond purchase agreement by the City, acting by and through the Board, and the underwriters of the Series 2020 Senior Bonds (the “Series 2020 Bonds Supplemental Resolution”), a form of which is attached hereto as “Exhibit A”; and

WHEREAS, the Board, acting on behalf of the City pursuant to Article XII of the Charter and certain sections of the Municipal Code, proposes to issue one or more series of Harbor Revenue Short-Term Notes in an aggregate principal amount not to exceed \$145,000,000 (the “Series 2020 Senior Notes”) for the purposes of (a) paying and/or reimbursing the Harbor Department for capital expenditures incurred or to be incurred by the Harbor Department at the Port of Long Beach, including, but not limited to, the construction of the replacement for the

Gerald Desmond Bridge, (b) if determined by a Designated Officer to be in the best interest of the Harbor Department, providing credit support for all or a portion of the Series 2020 Senior Notes, (c) if necessary or determined by a Designated Officer to be in the best interest of the Harbor Department, funding capitalized interest on the Series 2020 Senior Notes, and (d) paying the financing costs and the costs of issuing the Series 2020 Senior Notes, all pursuant to the Master Resolution, and to be further supplemented by a supplemental resolution to be adopted by the Board after the execution and delivery of the note purchase agreement by the City, acting by and through the Board, and the underwriters of the Series 2020 Senior Notes (the “Series 2020 Notes Supplemental Resolution”), a form of which is attached hereto as “Exhibit B”; and

WHEREAS, pursuant to a resolution adopted by the Board on January 13, 2020 (the “Authorizing Resolution”), a form of which is attached hereto as “Exhibit C,” the Board authorized the issuance and sale of (a) the Series 2020 Senior Bonds pursuant to the Master Resolution and the Series 2020 Bonds Supplemental Resolution, and (b) the Series 2020 Senior Notes pursuant to the Master Resolution and the Series 2020 Notes Supplemental Resolution; and

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

Section 1. That the City Council, acting pursuant to the Article XII of the Charter and Sections 3.52.110 through 3.52.150 of the Municipal Code, and subject to the terms and provisions set forth in the Authorizing Resolution, does hereby approve (a) the issuance of the Series 2020 Senior Bonds in an aggregate principal amount not to exceed \$175,000,000, pursuant to the Master Resolution and the Series 2020 Bonds Supplemental Resolution with such changes, completions, insertions and omissions as shall be approved by the Board, the adoption of the Series 2020 Bonds Supplemental Resolution by the Board being conclusive evidence of such approval; and (b) the issuance of the Series 2020 Senior Notes in an aggregate principal amount not to exceed \$145,000,000, pursuant to the Master Resolution and the Series 2020 Notes Supplemental Resolution with such changes, completions, insertions and omissions as shall be approved by the Board, the adoption of the Series 2020 Notes Supplemental Resolution by the Board being conclusive evidence of such approval.

The Series 2020 Senior Bonds and the Series 2020 Senior Notes shall be issued as special, limited obligations of the City and shall be secured by a pledge of and lien upon and shall be a charge upon and shall be payable from the revenues of the Harbor Department and certain funds and accounts pledged under the Master Resolution, the Series 2020 Bonds Supplemental Resolution and the Series 2020 Notes Supplemental Resolution, as applicable. Neither the Series 2020 Senior Bonds nor the Series 2020 Senior Notes shall be a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any of the City’s property or upon any of the City’s income, receipts or revenues, except the revenues of the Harbor Department and the funds and accounts specifically pledged to the payment thereof under the Master Resolution, the Series 2020 Bonds Supplemental Resolution and the Series 2020 Notes Supplemental Resolution, as applicable. The general fund of the City shall not be liable for the payment of the Series 2020 Senior Bonds, the Series 2020 Senior Notes or interest thereon, nor shall the credit or the taxing power of the City be pledged therefor.

Section 2. That the City Manager, the City Treasurer, the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other

agreements, documents and certificates (including, but not limited to, one or more trustee services agreements or one or more investment agreements with respect to the investment of the proceeds of the Series 2020 Senior Bonds and the Series 2020 Senior Notes), and to perform such other acts and deeds as may be necessary or convenient to effect the purposes of this resolution.

Section 3. That the City Clerk is hereby authorized and directed to forward to the Board, without delay, a certified copy of this resolution.

Section 4. That this resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify to the vote adopting this resolution.

I hereby certify that the foregoing resolution was duly adopted by the City Council of the City of Long Beach at its meeting of January 14, 2020 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

EXHIBIT A

FORM OF SERIES 2020 BONDS SUPPLEMENTAL RESOLUTION

EXHIBIT B

FORM OF SERIES 2020 NOTES SUPPLEMENTAL RESOLUTION

EXHIBIT C
FORM OF AUTHORIZING RESOLUTION

RESOLUTION NO. HD-_____

**RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF
THE CITY OF LONG BEACH, CALIFORNIA
AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$175,000,000
AGGREGATE PRINCIPAL AMOUNT OF ONE OR MORE SERIES OF
HARBOR REVENUE REFUNDING BONDS AND/OR NOT TO EXCEED \$145,000,000
AGGREGATE PRINCIPAL AMOUNT OF ONE OR MORE SERIES OF
HARBOR REVENUE SHORT-TERM NOTES OF SAID CITY; AND
AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS**

RESOLUTION NO. HD-_____

**Resolution of the Board of Harbor Commissioners of
the City of Long Beach, California
Authorizing the Issuance and Sale of not to Exceed \$175,000,000
Aggregate Principal Amount of One or More Series of
Harbor Revenue Refunding Bonds and/or not to Exceed \$145,000,000
Aggregate Principal Amount of One or More Series of
Harbor Revenue Short-Term Notes of Said City; and
Authorizing the Execution and Delivery of Certain Documents**

WHEREAS, the City of Long Beach (the “*City*”) is a city organized and existing under a charter duly and regularly adopted pursuant to the provisions of the Constitution of the State of California;

WHEREAS, pursuant to Article XII of said charter, the City, acting by and through its Board of Harbor Commissioners (the “*Board*”), is authorized to issue, on behalf of the City, revenue bonds for harbor purposes;

WHEREAS, pursuant to Resolution No. HD-1475 adopted by the Board on November 8, 1989 (together with all amendments, modifications and supplements thereto, the “*Master Senior Resolution*”), the Board has heretofore authorized the issuance of Harbor Revenue Bonds (the “*Bonds*” or “*Senior Bonds*”) on behalf of the City by adoption of supplemental resolutions from time to time, with the payment of the principal, interest on and any redemption premiums thereon being secured by and payable solely from the Revenues (as defined in the Master Senior Resolution) of the Port (as defined in the Master Senior Resolution);

WHEREAS, pursuant to the Master Senior Resolution and Resolution HD-2555 adopted by the Board on April 5, 2010, the Board, on behalf of the City, issued \$200,835,000 aggregate principal amount of Senior Bonds (the “*Series 2010A Senior Bonds*”), the proceeds of such Series 2010A Senior Bonds being utilized to finance capital improvements at the Port;

WHEREAS, pursuant to the Master Senior Resolution and Resolution HD-2560 adopted by the Board on May 10, 2010, the Board, on behalf of the City, issued \$158,085,000 aggregate principal amount of Senior Bonds (the “*Series 2010B Senior Bonds*”), the proceeds of such Series 2010B Senior Bonds being utilized to purchase and cancel certain previously issued Senior Bonds;

WHEREAS, if determined by a Designated Officer (as hereinafter defined) to be in the best interest of the Harbor Department of the City of Long Beach (the “*Harbor Department*”), public interest and necessity require that the Board proceed under the Master Senior Resolution to issue and sell on behalf of the City, through a negotiated process, one or more series of Senior Bonds (the “*Series 2020 Senior Bonds*”), secured by and payable from the Revenues of the Port, for the purposes of (a) current refunding and defeasing all or a portion of the Series 2010A Senior Bonds and/or the Series 2010B Senior Bonds, (b) if determined by a Designated Officer to be in the best interest of the Harbor Department, providing for credit support for all or a portion of the

Series 2020 Senior Bonds, and (c) paying the financing costs and the costs of issuing the Series 2020 Senior Bonds;

WHEREAS, if determined by a Designated Officer to be in the best interest of the Harbor Department, public interest and necessity require that the Board proceed under the Master Senior Resolution to issue and sell on behalf of the City, through a negotiated process, one or more series of Harbor Revenue Short-Term Notes (the “*Series 2020 Senior Notes*”), secured by and payable from the Revenues of the Port, for the purposes of (a) paying and/or reimbursing the Harbor Department for capital expenditures incurred or to be incurred by the Harbor Department at the Port, including, but not limited to, the construction of the replacement for the Gerald Desmond Bridge, (b) if determined by a Designated Officer to be in the best interest of the Harbor Department, providing credit support for all or a portion of the Series 2020 Senior Notes, (c) if necessary or determined by a Designated Officer to be in the best interest of the Harbor Department, funding capitalized interest on the Series 2020 Senior Notes, and (d) paying the financing costs and the costs of issuing the Series 2020 Senior Notes;

WHEREAS, the Series 2020 Senior Bonds shall be issued in an aggregate principal amount not to exceed \$175,000,000, and the Series 2020 Senior Notes shall be issued in an aggregate principal amount not to exceed \$145,000,000;

WHEREAS, all of the Series 2020 Senior Bonds and the Series 2020 Senior Notes will be issued in a manner by which the interest thereon is excludable from gross income under the Internal Revenue Code of 1986, as amended (the “*Code*”);

WHEREAS, there has been presented to this Board the following documents:

(a) a form of the Preliminary Official Statement (the “*Series 2020 Senior Bonds Preliminary Official Statement*”) relating to the Series 2020 Senior Bonds;

(b) a form of the Bond Purchase Agreement (the “*Series 2020 Senior Bond Purchase Agreement*”) to be entered into by Citigroup Global Markets Inc., on its own behalf and on behalf of Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated, and the City, acting by and through the Board, with respect to the purchase and sale of the Series 2020 Senior Bonds;

(c) a form of the Continuing Disclosure Certificate (the “*Series 2020 Senior Bonds Continuing Disclosure Certificate*”) to be executed and delivered by the City, acting by and through the Board, in connection with the issuance of the Series 2020 Senior Bonds;

(d) a form of a supplemental resolution to be adopted by the Board at a later date (the “*Series 2020 Senior Bonds Supplemental Resolution*”) in connection with the issuance of the Series 2020 Senior Bonds;

(e) a form of the Preliminary Official Statement (the “*Series 2020 Senior Notes Preliminary Official Statement*”) relating to the Series 2020 Senior Notes;

(f) a form of the Note Purchase Agreement (the “*Series 2020 Senior Note Purchase Agreement*”) to be entered into by Citigroup Global Markets Inc., on its own behalf and on behalf of Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated, and the City, acting by and through the Board, with respect to the purchase and sale of the Series 2020 Senior Notes;

(g) a form of a supplemental resolution to be adopted by the Board at a later date (the “*Series 2020 Senior Notes Supplemental Resolution*”) in connection with the issuance of the Series 2020 Senior Notes; and

(h) a form of the Continuing Disclosure Certificate (the “*Series 2020 Senior Notes Continuing Disclosure Certificate*”) to be executed and delivered by the City, acting by and through the Board, in connection with the issuance of the Series 2020 Senior Notes; and

WHEREAS, said documents will be modified and amended to reflect the various details applicable to the Series 2020 Senior Bonds and the Series 2020 Senior Notes and said documents are subject to completion to reflect the results of the sale of the Series 2020 Senior Bonds and the Series 2020 Senior Notes; and

NOW, THEREFORE, the Board of Harbor Commissioners of the City of Long Beach, California, DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Authorization to Issue and Sell Series 2020 Senior Bonds and Series 2020 Senior Notes. The Board hereby determines that (a) the issuance and sale of the Series 2020 Senior Bonds in a total aggregate principal amount not to exceed \$175,000,000, and (b) the issuance and sale of the Series 2020 Senior Notes in a total aggregate principal amount not to exceed \$145,000,000, for the respective purposes set forth in the foregoing recitals, is advisable from an economic and financial viewpoint.

Subject to the terms and provisions of this Resolution and for the purposes set forth herein, the Board hereby authorizes the issuance and sale of the Series 2020 Senior Bonds pursuant to the terms and conditions of the Master Senior Resolution and the Series 2020 Senior Bonds Supplemental Resolution. The Board hereby determines that the issuance and sale of the Series 2020 Senior Bonds is needed to (a) (i) current refund and defease all or a portion of the Series 2010A Senior Bonds maturing on and after May 15, 2020, which are currently outstanding in the aggregate principal amount of \$97,475,000 (the “*Refunded Series 2010A Senior Bonds*”), and (ii) current refund and defease all or a portion of the Series 2010B Senior Bonds maturing on and after May 15, 2020, which are currently outstanding in the aggregate principal amount of \$109,200,000 (the “*Refunded Series 2010B Senior Bonds*,” and together with the Refunded Series 2010A Senior Bonds, the “*Refunded Senior Bonds*”), (b) if determined by the President of the Board (including any Acting President or Interim President), the Vice President of the Board (including any Acting Vice President or Interim Vice President), the Executive Director (including any Acting Executive Director or Interim Executive Director), the Managing Director, Finance and Administration (including any Acting Managing Director, Finance and Administration or Interim Managing Director, Finance and Administration), and/or the Director of Finance (including any Acting Director of Finance or Interim Director of Finance) (each a “*Designated*”

Officer”) to be in the best interest of the Harbor Department, provide for credit support for all or a portion of the Series 2020 Senior Bonds; and (c) pay the financing costs and the costs of issuing the Series 2020 Senior Bonds.

Subject to the terms and provisions of this Resolution and for the purposes set forth herein, the Board hereby authorizes the issuance and sale of the Series 2020 Senior Notes pursuant to the terms and conditions of the Master Senior Resolution and the Series 2020 Senior Notes Supplemental Resolution. The Board hereby determines that the issuance and sale of the Series 2020 Senior Notes is needed to (a) pay and/or reimburse the Harbor Department for capital expenditures incurred or to be incurred by the Harbor Department at the Port, including, but not limited to, the construction of the replacement for the Gerald Desmond Bridge; (b) if determined by a Designated Officer to be in the best interest of the Harbor Department, provide credit support for all or a portion of the Series 2020 Senior Notes, (c) if necessary or determined by a Designated Officer to be in the best interest of the Harbor Department, fund capitalized interest on the Series 2020 Senior Notes, and (d) pay the financing costs and the costs of issuing the Series 2020 Senior Notes.

The Series 2020 Senior Bonds and the Series 2020 Senior Notes shall be sold in a manner by which the interest thereon is excludable from gross income under the Code.

Notwithstanding anything herein to the contrary, in addition to the provisions described above:

(a) the Series 2020 Senior Bonds shall be subject to the following provisions: (i) the total aggregate principal amount of the Series 2020 Senior Bonds that may be issued shall not exceed \$175,000,000, plus the amount of any original issue premium at which the Series 2020 Senior Bonds may be sold; (ii) no Series 2020 Senior Bond shall bear interest at a rate in excess of 5.00% per annum, and (iii) no Series 2020 Senior Bond shall have a term longer than eight years from its date of issue; and

(b) the Series 2020 Senior Notes shall be subject to the following provisions: (i) the total aggregate principal amount of the Series 2020 Senior Notes that may be issued shall not exceed \$145,000,000, plus the amount of any original issue premium at which the Series 2020 Senior Notes may be sold; (ii) no Series 2020 Senior Note shall bear interest at a rate in excess of 5.00% per annum, and (iii) no Series 2020 Senior Note shall have a term longer than three years from its date of issue;

Section 2. Underwriters and Bond Purchase Agreements.

(a) The Board hereby appoints Citigroup Global Markets Inc., Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated, as the underwriters of the Series 2020 Senior Bonds (collectively, the “*Series 2020 Senior Bonds Underwriters*”). The Board hereby authorizes the sale of the Series 2020 Senior Bonds through a negotiated sale to the Series 2020 Senior Bonds Underwriters pursuant to the Series 2020 Senior Bond Purchase Agreement. Each Designated Officer, any one of them, is hereby authorized to approve the final terms of the sale of the Series 2020 Senior Bonds subject to the terms, conditions and restrictions set

forth in this Resolution. The final terms and provisions of the Series 2020 Senior Bonds shall be set forth in the Series 2020 Senior Bonds Supplemental Resolution (a form of which has been provided to this Board) which shall be adopted by the Board after the execution and delivery of the Series 2020 Senior Bond Purchase Agreement. The Series 2020 Senior Bonds shall be sold with an underwriters' discount as set forth in the Series 2020 Senior Bond Purchase Agreement, not to exceed 1.0% of the aggregate principal amount of the Series 2020 Senior Bonds, and subject to the terms and conditions set forth in the Series 2020 Senior Bond Purchase Agreement. The form, terms and provisions of the Series 2020 Senior Bond Purchase Agreement are in all respects approved, and each Designated Officer, any one or more thereof, are hereby authorized, empowered and directed to execute, acknowledge and deliver the Series 2020 Senior Bond Purchase Agreement including counterparts thereof, in the name and on behalf of the Board; provided that the Series 2020 Senior Bonds shall bear interest at such rates with respect to the various maturities such that the true interest cost of the Series 2020 Senior Bonds does not exceed 5.00% per annum. The true interest cost shall be that rate which, when used in computing the present worth of all payments of principal and interest to be paid on the Series 2020 Senior Bonds (computed on the first interest payment date of the Series 2020 Senior Bonds and semiannually thereafter), produces an amount equal to the purchase price of the Series 2020 Senior Bonds taking into account any accrued interest, any original issue premium or discount, Series 2020 Senior Bonds Underwriters' fees and discounts, and any and all costs of issuance of the Series 2020 Senior Bonds. The Series 2020 Senior Bond Purchase Agreement, as executed and delivered, shall be in substantially the form now before this Board and hereby approved, or with such changes therein as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Series 2020 Senior Bond Purchase Agreement now before this Board; and from and after the execution and delivery of the Series 2020 Senior Bond Purchase Agreement, the officers, agents and employees of the Harbor Department are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Series 2020 Senior Bond Purchase Agreement.

(b) The Board hereby appoints Citigroup Global Markets Inc., Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated, as the underwriters of the Series 2020 Senior Notes (collectively, the "*Series 2020 Senior Notes Underwriters*"). The Board hereby authorizes the sale of the Series 2020 Senior Notes through a negotiated sale to the Series 2020 Senior Notes Underwriters pursuant to the Series 2020 Senior Note Purchase Agreement. Each Designated Officer, any one of them, is hereby authorized to approve the final terms of the sale of the Series 2020 Senior Notes subject to the terms, conditions and restrictions set forth in this Resolution. The final terms and provisions of the Series 2020 Senior Notes shall be set forth in the Series 2020 Senior Notes Supplemental Resolution (a form of which has been provided to this Board) which shall be adopted by the Board after the execution and delivery of the Series 2020 Senior Note Purchase Agreement. The Series 2020 Senior Notes shall be sold with an underwriters' discount as set forth in the Series 2020 Senior Note Purchase Agreement, not to exceed 1.0% of the aggregate principal amount of the Series 2020 Senior Notes, and subject to the terms and conditions set forth in the Series

2020 Senior Note Purchase Agreement. The form, terms and provisions of the Series 2020 Senior Note Purchase Agreement are in all respects approved, and each Designated Officer, any one or more thereof, are hereby authorized, empowered and directed to execute, acknowledge and deliver the Series 2020 Senior Note Purchase Agreement including counterparts thereof, in the name and on behalf of the Board; provided that the Series 2020 Senior Notes shall bear interest at such rates with respect to the various maturities such that the true interest cost of the Series 2020 Senior Notes does not exceed 5.00% per annum. The true interest cost shall be that rate which, when used in computing the present worth of all payments of principal and interest to be paid on the Series 2020 Senior Notes (computed on the first interest payment date of the Series 2020 Senior Notes and semiannually thereafter), produces an amount equal to the purchase price of the Series 2020 Senior Notes taking into account any accrued interest, any original issue premium or discount, Series 2020 Senior Notes Underwriters' fees and discounts, and any and all costs of issuance of the Series 2020 Senior Notes. The Series 2020 Senior Note Purchase Agreement, as executed and delivered, shall be in substantially the form now before this Board and hereby approved, or with such changes therein as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Series 2020 Senior Note Purchase Agreement now before this Board; and from and after the execution and delivery of the Series 2020 Senior Note Purchase Agreement, the officers, agents and employees of the Harbor Department are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Series 2020 Senior Note Purchase Agreement.

Section 3. Preliminary Official Statements.

(a) Each Designated Officer, any one or more thereof, are hereby authorized, empowered and directed to acknowledge and deliver (including, without limitation, through electronic means) a preliminary official statement to be used in connection with the sale of the Series 2020 Senior Bonds to the public. The Board hereby approves the form of the Series 2020 Senior Bonds Preliminary Official Statement now before this Board. After a majority of the members of the City Council of the City of Long Beach (the "**City Council**") has approved the issuance of the Series 2020 Senior Bonds, the Series 2020 Senior Bonds Preliminary Official Statement may be circulated (via printed format and/or electronic means) for use in selling the Series 2020 Senior Bonds at such time or times as a Designated Officer (after consultation with the Board's municipal advisor, bond counsel and disclosure counsel and such other advisors the Board believes to be useful) shall determine that such Series 2020 Senior Bonds Preliminary Official Statement is final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), except for the omission of certain information described in (b)(1) of Rule 15c2-12, and any such action previously taken is hereby confirmed, ratified and approved. The Series 2020 Senior Bonds Underwriters are hereby authorized to distribute (via printed format and/or electronic means) the Series 2020 Senior Bonds Preliminary Official Statement in connection with the sale of the Series 2020 Senior Bonds to the public.

(b) Each Designated Officer, any one or more thereof, are hereby authorized, empowered and directed to acknowledge and deliver (including, without limitation, through electronic means) a preliminary official statement to be used in connection with the sale of the Series 2020 Senior Notes to the public. The Board hereby approves the form of the Series 2020 Senior Notes Preliminary Official Statement now before this Board. After a majority of the members of the City Council has approved the issuance of the Series 2020 Senior Notes, the Series 2020 Senior Notes Preliminary Official Statement may be circulated (via printed format and/or electronic means) for use in selling the Series 2020 Senior Notes at such time or times as a Designated Officer (after consultation with the Board's municipal advisor, note counsel and disclosure counsel and such other advisors the Board believes to be useful) shall determine that such Series 2020 Senior Notes Preliminary Official Statement is final within the meaning of Rule 15c2-12, except for the omission of certain information described in (b)(1) of Rule 15c2-12, and any such action previously taken is hereby confirmed, ratified and approved. The Series 2020 Senior Notes Underwriters are hereby authorized to distribute (via printed format and/or electronic means) the Series 2020 Senior Notes Preliminary Official Statement in connection with the sale of the Series 2020 Senior Notes to the public.

Section 4. Official Statements.

(a) Prior to the delivery of the Series 2020 Senior Bonds, the Harbor Department shall provide for the preparation, publication, execution and delivery (via printed format and/or electronic means) of a final Official Statement relating to the Series 2020 Senior Bonds in substantially the form of the Series 2020 Senior Bonds Preliminary Official Statement to be prepared and delivered by the Board and the Harbor Department. Each Designated Officer, any one or more thereof, are hereby authorized and directed to execute, acknowledge and deliver (via printed format and/or electronic means) the final Official Statement relating to the Series 2020 Senior Bonds in the name and on behalf of the Board. The execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Series 2020 Senior Bonds Preliminary Official Statement. The Series 2020 Senior Bonds Underwriters are hereby authorized to distribute (via printed format and/or electronic means) the Official Statement relating to the Series 2020 Senior Bonds when such Official Statement is in final form.

(b) Prior to the delivery of the Series 2020 Senior Notes, the Harbor Department shall provide for the preparation, publication, execution and delivery (via printed format and/or electronic means) of a final Official Statement relating to the Series 2020 Senior Notes in substantially the form of the Series 2020 Senior Notes Preliminary Official Statement to be prepared and delivered by the Board and the Harbor Department. Each Designated Officer, any one or more thereof, are hereby authorized and directed to execute, acknowledge and deliver (via printed format and/or electronic means) the final Official Statement relating to the Series 2020 Senior Notes in the name and on behalf of the Board. The execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Series 2020 Senior Notes Preliminary Official Statement. The Series 2020 Senior Notes Underwriters are hereby

authorized to distribute (via printed format and/or electronic means) the Official Statement relating to the Series 2020 Senior Notes when such Official Statement is in final form.

Section 5. Continuing Disclosure Certificates.

(a) The form, terms and provisions of the Series 2020 Senior Bonds Continuing Disclosure Certificate are in all respects approved, and each Designated Officer, any one or more thereof, are hereby authorized, empowered and directed to execute, acknowledge and deliver one or more Series 2020 Senior Bonds Continuing Disclosure Certificates, in the name and on behalf of the Board, at the time of issuance of the Series 2020 Senior Bonds. The Series 2020 Senior Bonds Continuing Disclosure Certificate, as executed and delivered, shall be in substantially the form of the Series 2020 Senior Bonds Continuing Disclosure Certificate now before this Board and hereby approved, or with such changes therein as shall be approved by the officer or officers executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Series 2020 Senior Bonds Continuing Disclosure Certificate now before this Board; and from and after the execution and delivery of the Series 2020 Senior Bonds Continuing Disclosure Certificate, the officers, agents and employees of the Board are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Series 2020 Senior Bonds Continuing Disclosure Certificate.

The Board hereby covenants and agrees that it will comply with and carry out all of the provisions of the Series 2020 Senior Bonds Continuing Disclosure Certificate.

(b) The form, terms and provisions of the Series 2020 Senior Notes Continuing Disclosure Certificate are in all respects approved, and each Designated Officer, any one or more thereof, are hereby authorized, empowered and directed to execute, acknowledge and deliver one or more Series 2020 Senior Notes Continuing Disclosure Certificates, in the name and on behalf of the Board, at the time of issuance of the Series 2020 Senior Notes. The Series 2020 Senior Notes Continuing Disclosure Certificate, as executed and delivered, shall be in substantially the form of the Series 2020 Senior Notes Continuing Disclosure Certificate now before this Board and hereby approved, or with such changes therein as shall be approved by the officer or officers executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Series 2020 Senior Notes Continuing Disclosure Certificate now before this Board; and from and after the execution and delivery of the Series 2020 Senior Notes Continuing Disclosure Certificate, the officers, agents and employees of the Board are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Series 2020 Senior Notes Continuing Disclosure Certificate.

The Board hereby covenants and agrees that it will comply with and carry out all of the provisions of the Series 2020 Senior Notes Continuing Disclosure Certificate.

Section 6. Redemption Notices. Each Designated Officer is hereby authorized and directed to deliver or cause to be delivered any notices required to be given in connection with the

redemption and defeasance of the Refunded Senior Bonds, including, but not limited to, conditional redemption notices.

Section 7. Additional Authorizations. Each Designated Officer and all officers, agents and employees of the Harbor Department, for and on behalf of the Board, are hereby authorized and directed to do any and all things necessary to effect the issuance, execution and delivery, as applicable, of the Series 2020 Senior Bonds, the Series 2020 Senior Bonds Preliminary and final Official Statements with respect to the Series 2020 Senior Bonds, the Series 2020 Senior Bond Purchase Agreement, the Series 2020 Senior Bonds Continuing Disclosure Certificate, the Series 2020 Senior Notes, the Series 2020 Senior Notes Preliminary and final Official Statements with respect to the Series 2020 Senior Notes, the Series 2020 Senior Note Purchase Agreement, and the Series 2020 Senior Notes Continuing Disclosure Certificate, and to carry out the terms thereof, including, but not limited to, authorizing such officers to execute and deliver one or more investment agreements related to investing the proceeds of the Series 2020 Senior Bonds and/or the Series 2020 Senior Notes or to obtain one or more bond insurance policies insuring all or a part of the Series 2020 Senior Bonds and/or the Series 2020 Senior Notes, to the extent such bond insurance policy shall result in interest cost savings to the Harbor Department. Each Designated Officer and all other officers, agents and other employees of the Harbor Department are further authorized and directed, for and on behalf of the Board, to execute all papers, documents, certificates and other instruments (including, but not limited to, any documents required to obtain one or more investment agreements or one or more bond insurance policies) that may be required in order to carry out the authority conferred by this Resolution and by the Master Senior Resolution, the Series 2020 Senior Bonds Supplemental Resolution, the Series 2020 Senior Bond Purchase Agreement, the Series 2020 Senior Bonds Continuing Disclosure Certificate, the Series 2020 Senior Notes Supplemental Resolution, the Series 2020 Senior Note Purchase Agreement and the Series 2020 Senior Notes Continuing Disclosure Certificate or to evidence the same authority and its exercise.

Section 8. Approval of the City. The Board shall cause a form of this Resolution and forms of the Series 2020 Senior Bonds Supplemental Resolution and the Series 2020 Senior Notes Supplemental Resolution (forms of which have been provided to this Board) which authorize the issuance and sale of and set forth the terms of the Series 2020 Senior Bonds and the Series 2020 Senior Notes, respectively, to be transmitted to the City Council. The Board hereby requests the City Council to approve (a) the issuance of the Series 2020 Senior Bonds pursuant to the Master Senior Resolution and the Series 2020 Senior Bonds Supplemental Resolution, with such changes, completions, insertions or omissions as shall be approved by the Board upon adoption thereof, and (b) the issuance of the Series 2020 Senior Notes pursuant to the Master Senior Resolution and the Series 2020 Senior Notes Supplemental Resolution, with such changes, completions, insertions or omissions as shall be approved by the Board upon adoption thereof.

Section 9. Severability of Invalid Provisions. If any one or more of the provisions contained in this Resolution shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Resolution and such invalidity, illegality or unenforceability shall not affect any other provision of this Resolution, and this Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Board hereby declares that it would have adopted this Resolution and each and every other Section, paragraph,

sentence, clause or phrase hereof and authorized the issuance of the Series 2020 Senior Bonds and the Series 2020 Senior Notes pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

Section 10. Section Headings and References; Interpretation. The headings or titles of the several Sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Resolution.

All references herein to “Sections” and other subdivisions are to the corresponding Sections or subdivisions of this Resolution; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 11. Governing Law. This Resolution shall be construed and governed in accordance with the laws of the State of California.

Section 12. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption by the Board, and the Secretary of the Board shall certify to the vote adopting this Resolution and shall cause a certified copy of this Resolution to be filed forthwith with the City Clerk of the City of Long Beach (the “*City Clerk*”). The City Clerk shall post this Resolution in three conspicuous places in the City.

[Remainder of page intentionally left blank.]

I hereby certify that the foregoing resolution was adopted by the Board of Harbor Commissioners of the City of Long Beach at its meeting of January 13, 2020 by the following vote:

Ayes: Commissioners _____

Noes: Commissioners _____

Absent: Commissioners _____

Not Voting: Commissioners _____

Secretary, Board of Harbor Commissioners of
the City of Long Beach, California

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS: See “RATINGS” herein.

In the opinion of Kutak Rock LLP, Bond Counsel to the City, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2020 Senior Bonds is excluded from gross income for federal income tax purposes, except for interest on any Series 2020 Senior Bond for any period during which such Series 2020 Senior Bond is held by a “substantial user” of the facilities refinanced by the Series 2020 Senior Bonds, or a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Bond Counsel is of the further opinion that (a) interest on the Series 2020A Senior Bonds is not an item of tax preference for purposes of the federal alternative minimum tax and (b) interest on the Series 2020B Senior Bonds constitutes an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that interest on the Series 2020 Senior Bonds is exempt from present State of California personal income taxes. For a more complete description, see “TAX MATTERS” herein.

	<p>\$()*</p> <p>CITY OF LONG BEACH, CALIFORNIA</p> <p>Harbor Revenue Refunding Bonds</p>	
[City Logo]		[Port Logo]
	<p>\$()*</p> <p>Series 2020A</p> <p>(Private Activity/Non-AMT)</p>	<p>\$()*</p> <p>Series 2020B</p> <p>(Private Activity/AMT)</p>

Dated: Date of Delivery

Due: May 15, as shown on the inside cover page

The City of Long Beach, California (the “City”), acting by and through its Board of Harbor Commissioners (the “Board”), is issuing its Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT) (the “Series 2020A Senior Bonds”) and its Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT) (the “Series 2020B Senior Bonds”) and together with the Series 2020A Senior Bonds, the “Series 2020 Senior Bonds”), the proceeds of which, together with certain other available moneys, will be used for the purposes of (a) current refunding and defeasing the Refunded Bonds (as defined herein) and (b) paying the financing costs and the costs of issuing the Series 2020 Senior Bonds, as described herein. See “PLAN OF REFUNDING.”

The Series 2020 Senior Bonds will be issued as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company (“DTC”), New York, New York. Individual purchases and sales of the Series 2020 Senior Bonds may be made in book-entry form only in denominations of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Series 2020 Senior Bonds. Interest on the Series 2020 Senior Bonds will be payable on May 15 and November 15 of each year, commencing on May 15, 2020. So long as the Series 2020 Senior Bonds are held by DTC, the principal of and interest on the Series 2020 Senior Bonds will be payable by wire transfer to DTC, which in turn will be required to remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Series 2020 Senior Bonds, as more fully described herein.

Maturity Schedule on Inside Front Cover Page

The Series 2020 Senior Bonds are not subject to redemption prior to maturity.

The Series 2020 Senior Bonds are special, limited obligations of the City and are secured by a pledge of and lien upon and will be a charge upon and will be payable solely from the Revenues and certain funds and accounts pledged under the Senior Resolution on parity with all other Senior Bonds. The Series 2020 Senior Bonds are not a debt of 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 Revenues and the funds and accounts specifically pledged to the payment thereof. The general fund of the City is not liable for the payment of the Series 2020 Senior Bonds or interest thereon, nor is the credit or the taxing power of the City pledged therefor. An Owner of the Series 2020 Senior Bonds may not compel the exercise of the taxing power of the City or the forfeiture of any of its property. The Series 2020 Senior Bonds will be issued on a parity with the Existing Senior Bonds & Notes, which as of January 1, 2020 were outstanding in the aggregate principal amount of \$[1,063,185,000], and any additional Senior Bonds issued in the future. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 SENIOR BONDS.”

This cover page is not intended to be a summary of the terms of, or security for, the Series 2020 Senior Bonds. Investors are advised to read the Official Statement in its entirety to obtain information essential to the making of an informed investment decision, giving particular attention to the matters discussed under “CERTAIN INVESTMENT CONSIDERATIONS.” Capitalized terms used on this cover page and not otherwise defined have the meanings set forth herein.

The Series 2020 Senior Bonds are offered, when, as and if issued by the City, subject to the approval of validity by Kutak Rock LLP, Bond Counsel to the City, and to certain other conditions. Certain matters will be passed upon for the City by the City Attorney of the City of Long Beach, and by Hawkins Delafield & Wood LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Nixon Peabody LLP. It is expected that the Series 2020 Senior Bonds will be available for delivery through the facilities of DTC on or about February [19], 2020.

Citigroup

Backstrom McCarley Berry & Co.

RBC Capital Markets

Stifel

Date of Official Statement: [], 2020.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE

\$[_____] *
City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2020A
(Private Activity/Non-AMT)

Maturity Date (May 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP No. †
20[]	\$	%	%		
20[]					
20[]					
20[]					
20[]					
20[]					

\$[_____] *
City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2020B
(Private Activity/AMT)

Maturity Date (May 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP No. †
20[]	\$	%	%		
20[]					
20[]					
20[]					
20[]					
20[]					

* Preliminary, subject to change.

† Copyright 2020, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by CUSIP Global Services (“CGS”), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the City, the Board or the Harbor Department and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Series 2020 Senior Bonds. None of the City, the Board, the Harbor Department or the Underwriters take responsibility for the accuracy of the CUSIP numbers.

[Insert Map of Port]

**HARBOR DEPARTMENT OF THE CITY OF LONG BEACH
BOARD OF HARBOR COMMISSIONERS**

Bonnie Lowenthal
President

Frank Colonna
Vice President

Lou Anne Bynum
Secretary

Tracy J. Egoscue
Commissioner

Steven Neal
Commissioner

Richard E. Jordan
Chief of Staff to Board of Harbor Commissioners

PORT MANAGEMENT

Mario Cordero
Executive Director

Dr. Noel Hacegaba
*Deputy Executive Director,
Administration and Operations*

Richard D. Cameron
*Deputy Executive Director,
Planning and Environmental Affairs*

Sam Joublat
*Managing Director,
Finance & Administration*

Wei Chi
Director of Finance

CITY OF LONG BEACH, CALIFORNIA

CITY COUNCIL

Dr. Robert Garcia
Mayor

Dee Andrews
Vice Mayor, Sixth District

Mary Zendejas, *First District*
Jeannine Pearce, *Second District*
Suzie Price, *Third District*
Daryl Supernaw, *Fourth District*

Stacy Mungo, *Fifth District*
Roberto Uranga, *Seventh District*
Al Austin, *Eighth District*
Rex Richardson, *Ninth District*

CITY OFFICIALS AND STAFF

Tom Modica
Acting City Manager

Rebecca Guzman Garner
Acting Assistant City Manager

John Gross
Director of
Financial Management, CFO

David S. Nakamoto
City Treasurer

J. Charles Parkin
City Attorney

Douglas Haubert
City Prosecutor

Laura L. Doud
City Auditor

Monique De La Garza
City Clerk

Charles Gale
Principal Deputy City Attorney

PROFESSIONAL SERVICES

BOND COUNSEL
Kutak Rock LLP

DISCLOSURE COUNSEL
Hawkins Delafield & Wood LLP
Los Angeles, California

MUNICIPAL ADVISOR
Public Resources Advisory Group
Los Angeles, California

FISCAL AGENT
U.S. Bank National Association
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City, the Board, the Harbor Department or the Underwriters to give any information or to make any representations with respect to the offer or sale of the Series 2020 Senior Bonds other than as set forth in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the City, the Board, the Harbor Department or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2020 Senior Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2020 Senior Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City, the Harbor Department or the Port of Long Beach since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2020 Senior Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the City’s or the Harbor Department’s forecasts in any way, regardless of the level of optimism communicated in the information. Neither the City nor the Harbor Department are obligated to issue any updates or revisions to the forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based occur.

In connection with the offering of the Series 2020 Senior Bonds, the Underwriters may overallocate or effect transactions that stabilize or maintain the market prices of the Series 2020 Senior Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2020 Senior Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriters.

The Series 2020 Senior Bonds have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), in reliance upon an exemption from the registration requirements contained in the Securities Act. The Series 2020 Senior Bonds have not been registered or qualified under the securities laws of any state. The Senior Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption contained therein.

The City and the Harbor Department maintain websites, however, the information presented on such websites is not a part of this Official Statement and should not be relied on in making an investment decision with respect to the Series 2020 Senior Bonds.

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OFFICIAL STATEMENT

\$[_____]*
CITY OF LONG BEACH, CALIFORNIA
Harbor Revenue Refunding Bonds

\$[_____]* \$[_____]*
Series 2020A Series 2020B
(Private Activity/Non-AMT) (Private Activity/AMT)

INTRODUCTION

This Introduction is qualified in its entirety by reference to the more detailed information included and referred to elsewhere in this Official Statement. The offering of the Series 2020 Senior Bonds (as defined below) to potential investors is made only by means of this entire Official Statement. Capitalized terms used in this Official Statement and not otherwise defined will have the respective meanings assigned to them in “APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR RESOLUTION—CERTAIN DEFINITIONS.”

General

The purpose of this Official Statement, which includes the cover page, inside cover pages, table of contents and appendices hereto, is to provide certain information concerning the sale and delivery by the City of Long Beach, California (the “City”), acting by and through the Board of Harbor Commissioners of the City (the “Board”), of \$[_____]* aggregate principal amount of City of Long Beach, California, Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT) (the “Series 2020A Senior Bonds”) and \$[_____]* aggregate principal amount of City of Long Beach, California, Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT) (the “Series 2020B Senior Bonds” and together with the Series 2020A Senior Bonds, the “Series 2020 Senior Bonds”).

The City, the Harbor Department and the Board

The City is a municipal corporation and chartered city organized and existing under the Charter of the City of Long Beach, California (the “Charter”) and the Constitution and the laws of the State of California (the “State”). The Harbor Department of the City (the “Harbor Department”) was created in 1931 by an amendment to the Charter to promote, develop and operate the Port of Long Beach (the “Port”). The Charter confers on the Board exclusive control and management of the Harbor Department and control and jurisdiction over the Harbor District (as defined herein) other than the tide and submerged lands granted to the City and the State used for, or in connection with the drilling for, developing, producing, extracting, processing, taking or removing, storing and disposing of oil, gas and other hydrocarbon substances. See “THE PORT OF LONG BEACH” for additional information about the Harbor Department, the Port and the Board.

The Port of Long Beach

The Port is a harbor complex that covers approximately 12 square miles, of which approximately 6.9 square miles is water. The Port has approximately 31.5 miles of waterfront with a 76-foot deep main channel, and 65 deep-water berths, several of which are and will be capable of servicing the largest commercial ships

* Preliminary, subject to change.

currently afloat and the largest commercial ships currently being designed, with equipment and facilities for handling all types of cargo.

According to the American Association of Port Authorities, the Port was the number two-ranked container port in the nation in terms of container cargo for the year ended December 31, 2018.¹ The facilities at the Port moved approximately 8.1 million Twenty-Foot Equivalent Units (“TEUs”) during the calendar year ended December 31, 2018. (A “TEU” is a twenty-foot equivalent unit, which is a measure of volume in units of twenty-foot long containers.) According to statistics compiled by Alphaliner, during calendar year 2018, the Port was the 20th busiest container port in the world.² As a comparison point, the facilities at the Port moved approximately 7.7 million TEUs (unaudited) for the Fiscal Year ended September 30, 2019. See “THE PORT OF LONG BEACH” for additional information about the Port.

Plan of Refunding

Proceeds of the Series 2020 Senior Bonds, together with certain other available moneys, will be used for the purposes of (a) current refunding and defeasing the Refunded Bonds (as defined herein) and (b) paying the financing costs and the costs of issuing the Series 2020 Senior Bonds, all as further described herein. See “PLAN OF REFUNDING.”

The Series 2020 Senior Bonds

The Series 2020 Senior Bonds are authorized and being issued pursuant to Article XII of the Charter, Title 3, Chapter 3.52, Division I of the Municipal Code of the City, certain provisions of the Revenue Bond Law of 1941, Section 54300, *et seq.*, of the Government Code of the State of California, Resolution No. HD-[____], adopted by the Board on January [13], 2020 (“Resolution No. HD-[____]”), Resolution No. HD 1475, adopted by the Board on November 8, 1989, as amended and supplemented (the “Master Senior Resolution”), and the Twenty-Third Supplemental Senior Resolution, which, as provided for in Resolution No. HD-[____], will be adopted by the Board after the execution and delivery of the Bond Purchase Agreement (as defined herein) (the “Twenty-Third Supplemental Senior Resolution,” and together with the Master Senior Resolution, the “Senior Resolution”). The Twenty-Third Supplemental Senior Resolution is currently scheduled to be adopted by the Board on February [10], 2020.

The Series 2020 Senior Bonds will be dated their initial date of delivery, will mature as shown on the inside cover page hereof, and will bear interest at the rates shown on the inside cover page hereof, calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest will be payable semiannually on May 15 and November 15 of each year commencing May 15, 2020. The Series 2020 Senior Bonds are not subject to redemption prior to maturity.

The Series 2020 Senior Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2020 Senior Bonds. Upon receipt of payments of principal and interest, DTC will remit such principal and interest to the Direct Participants (as defined herein) for subsequent disbursement by the Direct Participants and the Indirect Participants (as defined herein) to the Beneficial Owners (as defined herein) of the Series 2020 Senior Bonds. See “APPENDIX F—BOOK ENTRY ONLY SYSTEM.”

¹ Statistics and ranking from the American Association of Port Authorities for calendar year 2019 are not yet available.

² Statistics and ranking from Alphaliner for calendar year 2019 are not yet available.

Security for Series 2020 Senior Bonds

The Series 2020 Senior Bonds are special, limited obligations of the City and are secured by a pledge of and lien upon and will be a charge upon and will be payable from Revenues (as defined herein) and certain funds and accounts pledged under the Senior Resolution on parity with all other Senior Bonds (as defined herein). The Series 2020 Senior Bonds are not a debt of 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 Revenues and the funds and accounts specifically pledged to the payment thereof. The general fund of the City is not liable for the payment of the Series 2020 Senior Bonds or any interest thereon, nor is the credit or the taxing power of the City pledged therefor. An Owner of the Series 2020 Senior Bonds may not compel the exercise of the taxing power of the City or the forfeiture of any of its property.

Revenues generally consist of all revenues and all money secured or collected for the benefit of and received by the Board from or arising out of the use or operation of the Port, but exclude revenues arising from any lease, contract or other agreement providing for the drilling for, developing, producing, extracting, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances from the tide and submerged lands granted to the City by the State. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 SENIOR BONDS.”

Rate Covenant

Rates, charges, rentals and fees for the use of the Port are established by the Board. The Board has covenanted in the Master Senior Resolution to establish and collect rates, charges, rentals and fees that will produce Revenues in each Fiscal Year (as defined below) equal to 1.25 times Maximum Annual Debt Service on the Senior Bonds, and that, together with other moneys available or reasonably expected to be available, will be sufficient to pay debt service on all Senior Bonds and to pay the expenses of operating and maintaining the Port. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 SENIOR BONDS—Rate Covenant.” The City’s and the Harbor Department’s “Fiscal Year” currently begins on October 1 and ends on September 30 of the immediately following year.

Outstanding Senior Bonds & Notes

Pursuant to the Master Senior Resolution, the City, acting by and through the Board, has previously issued and, as of January 1, 2020, there was outstanding \$1,063,185,000 aggregate principal amount of the City of Long Beach, California Harbor Revenue Bonds, Series 2010A (the “Series 2010A Senior Bonds”), the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2010B (the “Series 2010B Senior Bonds”), the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2014B (the “Series 2014B Senior Bonds”), the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015A (AMT) (the “Series 2015A Senior Bonds”), the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015B (Non-AMT) (the “Series 2015B Senior Bonds”), the City of Long Beach, California Harbor Revenue Bonds, Series 2015C (AMT) (the “Series 2015C Senior Bonds”), the City of Long Beach, California Harbor Revenue Bonds, Series 2015D (Non-AMT) (the “Series 2015D Senior Bonds”), the City of Long Beach, California Harbor Revenue Bonds, Series 2017A (AMT) (the “Series 2017A Senior Bonds”), the City of Long Beach, California Harbor Revenue Bonds, Series 2017B (AMT) (Green Bonds) (the “Series 2017B Senior Bonds”), the City of Long Beach, California Harbor Revenue Bonds, Series 2017C (Non-AMT) (the “Series 2017C Senior Bonds”), the City of Long Beach, California Harbor Revenue Refunding Short-Term Notes, Series 2018A (the “Series 2018A Senior Notes”) and the City of Long Beach, California Harbor Revenue Bonds, Series 2019A (Non-AMT) (the “Series 2019A Senior Bonds” and collectively with the Series 2010A Senior Bonds, the Series 2010B Senior Bonds, the Series 2014B Senior Bonds, the Series 2015A Senior Bonds, the Series 2015B Senior Bonds, the Series 2015C Senior Bonds, the Series 2015D Senior Bonds, the Series 2017A Senior Bonds, the Series 2017B Senior Bonds, the Series 2017C Senior Bonds and the Series 2018A Senior Notes, the “Existing Senior Bonds & Notes”).

The Existing Senior Bonds & Notes, the Series 2020 Senior Bonds, the Series 2020C Senior Notes (as defined below) (if issued) and any additional Senior Bonds issued pursuant to the terms of the Master Senior Resolution are collectively referred to herein as the “Senior Bonds.” The Senior Bonds are secured by a pledge of and lien upon and will be a charge upon and will be payable from Revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 SENIOR BONDS” and “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE.”

Subordinate Obligations

The City, acting by and through the Board, entered into a loan agreement, dated as of May 21, 2014, as amended from time to time (the “2014 Subordinate TIFIA Loan Agreement”) with the U.S. Department of Transportation, acting by and through the Federal Highway Administrator (the “2014 Subordinate TIFIA Lender”), pursuant to which the 2014 Subordinate TIFIA Lender, subject to certain conditions, agreed to make a loan to the City, acting by and through the Board, in an amount not to exceed \$325 million (the “2014 Subordinate TIFIA Loan”), the proceeds of which, if drawn, will be used by the Harbor Department to finance and refinance a portion of the costs of constructing a replacement bridge for the existing Gerald Desmond Bridge located at the Port (the “Gerald Desmond Bridge Replacement Project”). If drawn, the 2014 Subordinate TIFIA Loan will be secured by a pledge of Subordinate Revenues (consisting of Revenues minus the payment of debt service on the Senior Bonds (including the Series 2020 Senior Bonds) and the required deposits to any debt service reserve fund established with respect to the Senior Bonds) on parity with the Subordinate Revolving Obligations (defined below). Pursuant to the terms of Resolution No. HD-2933 adopted by the Board on September 24, 2018 (the “Twenty-First Supplemental Senior Resolution”), the Board has reserved the right to (but is not obligated to) use all or a portion of the proceeds of the 2014 Subordinate TIFIA Loan to pay a portion of the principal of the Series 2018A Senior Notes on their maturity date (December 15, 2020), or any obligations that may be issued to refinance the Series 2018A Senior Notes, and/or to pay additional federally eligible costs of the Gerald Desmond Bridge Replacement Project. The 2014 Subordinate TIFIA Loan has not yet been drawn and the Harbor Department is not required to draw on the 2014 Subordinate TIFIA Loan. The Harbor Department expects to draw, if ever, on the 2014 Subordinate TIFIA Loan no later than [_____] 2021, which is one year after substantial completion of the Gerald Desmond Bridge Replacement Project (currently projected to be by [June 2020]). See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations)” and “CAPITAL DEVELOPMENT PROGRAM—2019-28 Capital Plan—Gerald Desmond Bridge Replacement Project.”

Pursuant to Resolution No. HD-2726 adopted by the Board on July 16, 2013, as amended (the “Master Subordinate Resolution”), Resolution No. HD-2728 adopted by the Board on July 16, 2013 (the “Second Supplemental Subordinate Resolution”), Resolution No. HD-2852 adopted by the Board on June 30, 2016 (the “Fifth Supplemental Subordinate Resolution,” and together with the Second Supplemental Subordinate Resolution, the “Subordinate Revolving Obligations Supplemental Resolutions”), and the Revolving Credit Agreement, dated as of July 1, 2016, as amended (the “Subordinate Revolving Obligations Credit Agreement”), by and between the City, acting by and through the Board, and MUFG Union Bank, N.A. (the “Subordinate Revolving Obligations Bank”), the City, acting by and through the Board, is authorized to issue and have outstanding, from time to time, up to \$200 million in aggregate principal amount of its City of Long Beach, California Subordinate Harbor Revenue Revolving Obligations Series B (Tax-Exempt) (the “Series B Subordinate Revolving Obligations”), and its City of Long Beach, California Subordinate Harbor Revenue Revolving Obligations Series C (Taxable) (the “Series C Subordinate Revolving Obligations,” and together with the Series B Subordinate Revolving Obligations, the “Subordinate Revolving Obligations”). As of January 1, 2020, there were [no Subordinate Revolving Obligations outstanding]. The Subordinate Revolving Obligations are secured by a pledge of Subordinate Revenues on parity with the 2014 Subordinate TIFIA Loan (if drawn) and the Additional Subordinate TIFIA Loan (as defined below) (if received and if drawn). All Subordinate Revolving Obligations issued by the City, acting by and through the Board, are purchased by the Subordinate Revolving Obligations Bank in accordance with the terms of the Subordinate Revolving Obligations Credit Agreement.

[In addition to the 2014 Subordinate TIFIA Loan, in April 2018, the Harbor Department submitted a letter of interest with the U.S. Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the “Additional Subordinate TIFIA Lender”) requesting that the Additional Subordinate TIFIA Lender make an additional loan to the Harbor Department (currently requested in the amount of \$145 million) to finance or refinance additional costs of the Gerald Desmond Bridge Replacement Project (the “Additional Subordinate TIFIA Loan”). On April 16, 2019, the Harbor Department was informed by the Additional Subordinate TIFIA Lender that its letter of interest has been advanced to the “creditworthiness review stage.” If after the creditworthiness review stage the Additional Subordinate TIFIA Lender invites the Harbor Department to apply for a loan and such application is approved by the Additional Subordinate TIFIA Lender, the Harbor Department anticipates that the Additional Subordinate TIFIA Loan will be secured by a pledge of Subordinate Revenues on parity with the 2014 Subordinate TIFIA Loan (if drawn) and the Subordinate Revolving Obligations. The proceeds of the Additional Subordinate TIFIA Loan, if received, are anticipated to be available to pay the principal of the Series 2020C Senior Notes (if issued) on their maturity date and/or to pay additional federally eligible costs of the Gerald Desmond Bridge Replacement Project. The Harbor Department and the Additional Subordinate TIFIA Lender are currently negotiating the terms of the loan agreement for the Additional Subordinate TIFIA Loan. As of the date of this Official Statement, the Harbor Department expects the terms of this new loan agreement will be substantially similar to the terms of the 2014 Subordinate TIFIA Loan Agreement.]

The 2014 Subordinate TIFIA Loan (if drawn), the Subordinate Revolving Obligations and any additional obligations issued pursuant to the terms of the Master Subordinate Resolution (including the Additional Subordinate TIFIA Loan (if received and if drawn)) are collectively referred to herein as “Subordinate Obligations.”

See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations).”

Capital Development Program

The Harbor Department maintains the Port Master Plan, a long-range plan of land use and anticipated capital projects and improvements to be undertaken at the Port. On October 17, 1978 the California Coastal Commission (the “CCC”) certified the Port Master Plan as being in conformance with the policies of Chapters 8 and 3 of the California Coastal Act. The Port Master Plan has been amended on numerous occasions since 1978. The purpose of the Port Master Plan is to provide the Harbor Department with a planning tool to guide future Port development and to ensure that projects and developments in the Harbor District are consistent with the requirements of the California Coastal Act of 1976, as amended (the “California Coastal Act”). The Port Master Plan identifies proposed uses of land and water areas within the Harbor District and establishes a flexible framework allowing for development of the Port and is updated periodically.

The Harbor Department is currently in the process of reviewing and updating the Port Master Plan. The update process is guided by the California Coastal Act and involves evaluation of land use and water use designations, reconfiguration of planning districts, and identification of anticipated projects. In addition, the update will incorporate previously certified Port Master Plan amendments and update the overall goals and policies for long-range development. The update to the Port Master Plan is needed to consider changes in the global shipping industry, technological advances, and important factors such as climate change and energy resources consistent with Harbor Department’s “Green Port Policy” objectives. The update also will revise the guidelines for public access to the waterfront by reviewing the vision for development of future recreation areas and facilities.

The Harbor Department recognizes that stakeholder engagement is an important element at the core of the Master Plan Update process. Reflecting a commitment to a transparent, comprehensive and inclusive planning process, the Harbor Department continues to provide opportunities for stakeholder feedback through a variety of activities. One significant outcome of the stakeholder engagement process is the development of goals.

The draft goals set the overall direction of long-range planning for the Master Plan Update and encompass the broad range of priorities for the Harbor Department, from modernizing facilities to providing community assets.

In June 2017, the Harbor Department selected Leidos, Inc. to provide consulting assistance to the Harbor Department with updating the Port Master Plan, evaluating the environmental impacts of proposed development and land uses, and seeking approval of the updated Port Master Plan by the Board and the California Coastal Commission. The Harbor Department anticipates certification of the update to the Port Master Plan by CCC in 2020.

In addition to the Port Master Plan, the Harbor Department maintains a 10-year capital plan that sets forth the specific projects the Harbor Department expects to develop and construct over the next ten years. The Harbor Department's current 10-year capital plan (the "2019-28 Capital Plan") includes capital projects and improvements to be undertaken at the Port between Fiscal Years 2020 and 2029. The 2019-28 Capital Plan includes the following projects: the Gerald Desmond Bridge Replacement Project, the expansion and modernization of the shipping terminals on Piers D, E, F and G, the expansion of on-dock rail facilities and the supporting rail network serving the terminals, the construction of two fireboat stations, the installation of various security improvements, and various other infrastructure projects at the Port (including street, storm drain, sewer and water systems projects). As of the date of this Official Statement, the 2019-28 Capital Plan has an aggregate estimated cost of approximately \$2.3 billion (including the approximately \$235 million Port Headquarters Building completed in Fiscal Year 2019). The Harbor Department expects to finance the costs of the 2019-28 Capital Plan with the following sources: (i) \$145 million of proceeds of the Series 2020C Senior Notes (if issued) or the Additional Subordinate TIFIA Loan, if received; (ii) \$1.585 billion of revenues of the Harbor Department; (iii) \$305 million of proceeds of existing Senior Bonds; and (iv) \$265 million of federal and State grants and other sources of funds. In the event any of the expected federal and State grants are not received by the Harbor Department, the Harbor Department expects it will seek other sources of funding to complete these projects. See "CAPITAL DEVELOPMENT PROGRAM."

Property Agreements

The Harbor Department operates the Port as a landlord through various property agreements entered into with tenants of the Port. The property agreements entered into by the Board, which convey the right to use, rent or lease Port assets, include leases, preferential assignment agreements, revocable permits, area assignments and pipeline licenses. Pursuant to the property agreements, the tenants of the Port pay tariff charges (including, but not limited to, wharfage (the charge assessed when cargo crosses the wharf), dockage (the charge assessed for docking a vessel at a berth)) and other fees to the Harbor Department for the right to use, rent or lease Port facilities. Most of the Port's long-term property agreements contain guaranteed annual minimum payments. For Fiscal Year 2019, the long-term property agreements (in the form of preferential assignment agreements) with the Port's container terminal operators contained guaranteed annual minimum payments of approximately \$282 million (unaudited). Over the last five Fiscal Years, property agreements covering waterfront property and facilities generated in excess of 95% (unaudited) of the Harbor Department's operating revenues. See "THE PORT OF LONG BEACH—Property Agreements" for additional information on the property agreements entered into by the Board.

Continuing Disclosure

The City, acting by and through the Board, will covenant to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA"), for purposes of Rule 15c2-12(b)(5) ("Rule 15c2-12") adopted by the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended, certain annual financial information and operating data relating to the Harbor Department and the Port, and, in a timely manner, notice of certain enumerated events. These covenants are made in order to assist the Underwriters (as defined herein) of the Series 2020 Senior Bonds in complying with Rule 15c2-12. See "CONTINUING DISCLOSURE" and "APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Amendments to Master Senior Resolution

Pursuant to Resolution No. HD-2762 adopted by the Board on May 5, 2014 (the “Sixteenth Supplemental Senior Resolution”), the City, acting by and through the Board, approved certain amendments to the Master Senior Resolution (the “Master Senior Resolution Amendments”), which are described in Appendix E hereto. By the purchase and acceptance of the Series 2020 Senior Bonds, the Owners and Beneficial Owners of the Series 2020 Senior Bonds are deemed to have consented to the Master Senior Resolution Amendments. The Underwriters of the Series 2020 Senior Bonds will not be providing any consents on behalf of the Owners and Beneficial Owners of the Series 2020 Senior Bonds. The Master Senior Resolution Amendments will become effective upon the issuance of the Series 2020 Senior Bonds and the defeasance of the Series 2010A Senior Bonds and the Series 2010B Senior Bonds with the proceeds of the Series 2020 Senior Bonds.

Forward-Looking Statements

This Official Statement, including the appendices hereto, contains statements relating to future results that are “forward-looking statements.” When used in this Official Statement, the words “estimate,” “anticipate,” “forecast,” “project,” “intend,” “propose,” “plan,” “expect” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Additional Information

Brief descriptions of the Series 2020 Senior Bonds, the Senior Resolution, the Fiscal Agent Agreement and certain other documents are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, report or other instrument. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will under any circumstances, create any implication that there has been no change in the affairs of the Board, the Harbor Department or the Port since the date hereof. This Official Statement is not to be construed as a contract or agreement between the City and/or the Board and the purchasers or Owners of any of the Series 2020 Senior Bonds. The City, the Harbor Department and the Port maintain certain websites, the information on which is not part of this Official Statement, is not incorporated by reference herein and should not be relied upon in deciding whether to invest in the Series 2020 Senior Bonds.

PLAN OF REFUNDING

Plan of Refunding

Proceeds from the sale of the Series 2020 Senior Bonds, together with certain other available moneys, will be used for the purposes of (a) current refunding and defeasing the Refunded Bonds (as defined below) and (b) paying the financing costs and the costs of issuing the Series 2020 Senior Bonds.

A portion of the proceeds of the Series 2020 Senior Bonds, together with moneys held in certain funds and accounts for the Series 2010A Senior Bonds and the Series 2010B Senior Bonds (collectively, the “Series 2010 Senior Bonds”) will be used to current refund and defease all or a portion of the Series 2010 Senior Bonds. The specific principal amount of each maturity of the outstanding Series 2010 Senior Bonds that will be refunded (the “Refunded Bonds”) is as set forth in the table below. A portion of the proceeds of the Series 2020 Senior Bonds, together with other available moneys, will be deposited with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), and held in separate escrow funds for each series of the Refunded Bonds (each, an “Escrow Fund” and together, the “Escrow Funds”) created under the terms of an escrow agreement

(the “Escrow Agreement”) among the City, acting by and through the Board, and the Fiscal Agent for the Series 2010 Senior Bonds, as fiscal agent, and the Escrow Agent. Certain amounts deposited into the Escrow Funds will be invested in direct, noncallable obligations of the United States Treasury and all remaining amounts deposited into the Escrow Funds will be held uninvested in cash. Amounts on deposit in the Escrow Funds will be used on May 15, 2020 to pay the principal and redemption price of and interest on the Refunded Bonds.

Upon delivery of the Series 2020 Senior Bonds, Samuel Klein and Company, certified public accountants (the “Verification Agent”), will deliver a report stating that it has verified the mathematical accuracy of the computations contained in the schedules provided by Citigroup Global Markets Inc. to determine that the amounts to be held in the Escrow Funds will be sufficient to pay the principal and redemption price of and interest on the Refunded Bonds on May 15, 2020. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

The outstanding Series 2010 Senior Bonds which will be currently refunded and/or defeased are described in more detail in the following table:

Series	Maturity Date (May 15) ⁽¹⁾	Principal Amount	Interest Rate	CUSIP No. †
2010A	2020	\$ 1,460,000	4.000%	542424RL2
2010A	2020	12,895,000	5.000	542424SB3
2010A	2021	15,040,000	5.000	542424RM0
2010A	2022	15,795,000	5.000	542424RN8
2010A	2023	16,585,000	5.000	542424RP3
2010A	2024	17,415,000	5.000	542424RQ1
2010A	2025	18,285,000	5.000	542424RR9
2010B	2020	1,075,000	4.000	542424SQ0
2010B	2020	15,020,000	5.000	542424SR8
2010B	2021	19,235,000	5.000	542424SS6
2010B	2022	10,880,000	5.000	542424ST4
2010B	2023	1,260,000	5.000	542424SU1
2010B	2024	340,000	4.000	542424SV9
2010B	2024	18,710,000	5.000	542424SW7
2010B	2025	2,500,000	4.500	542424SX5
2010B	2025	21,500,000	5.000	542424SY3
2010B	2026	7,900,000	5.000	542424SZ0
2010B	2027	5,250,000	4.000	542424TA4
2010B	2027	5,530,000	5.000	542424TB2

⁽¹⁾ To be paid or redeemed, as applicable, on May 15, 2020.

† Copyright 2020, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by CUSIP Global Services (“CGS”), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the City, the Board or the Harbor Department and are provided solely for convenience and reference. None of the City, the Board, the Harbor Department or the Underwriters take responsibility for the accuracy of the CUSIP numbers.

Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2020 Senior Bonds and the plan of refunding described above.

Sources

Principal Amount
Original Issue Premium/(Discount)
Funds Released from Series 2010 Senior Bonds Reserve Fund
Funds Released from Series 2010 Senior Bonds Bond Service Fund
Total Sources

Uses

Deposit to Escrow Funds ⁽¹⁾
Costs of Issuance ⁽²⁾
Total Uses

⁽¹⁾ For the purposes of current refunding and defeasing the Refunded Bonds.

⁽²⁾ Includes underwriters' discount, legal costs and expenses and other costs of issuance.

DESCRIPTION OF THE SERIES 2020 SENIOR BONDS

General

The Series 2020 Senior Bonds will be dated their date of delivery, and will bear interest (calculated on the basis of a 360 day year consisting of twelve 30 day months) from such date at the rates per annum set forth on the inside cover page of this Official Statement, payable semiannually on May 15 and November 15 of each year commencing May 15, 2020 (each an "Interest Payment Date"). Each Series 2020 Senior Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Series 2020 Senior Bond will bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Series 2020 Senior Bond will bear interest from such succeeding Interest Payment Date, or unless such date of authentication is prior to May 1, 2020, in which event such Series 2020 Senior Bond will bear interest from their date of delivery. If interest on the Series 2020 Senior Bonds is in default, Series 2020 Senior Bonds issued in exchange for Series 2020 Senior Bonds surrendered for transfer or exchange will bear interest from the Interest Payment Date to which interest has been paid in full on the Series 2020 Senior Bonds surrendered. The Series 2020 Senior Bonds will mature on May 15 in the years and in the principal amounts set forth on the inside cover page of this Official Statement. The principal of and interest on the Series 2020 Senior Bonds will be payable in lawful money of the United States of America.

The Series 2020 Senior Bonds will be issued in denominations of \$5,000 and integral multiples thereof. The Series 2020 Senior Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Series 2020 Senior Bonds. Individual purchases may be made in book-entry form only. Purchasers will not receive certificates representing their interest in the Series 2020 Senior Bonds purchased. So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2020 Senior Bonds, references herein to the Owners or registered owners will mean Cede & Co. and will not mean the Beneficial Owners of the Series 2020 Senior Bonds.

So long as Cede & Co. is the registered owner of the Series 2020 Senior Bonds, principal of and interest on the Series 2020 Senior Bonds are payable by wire transfer by U.S. Bank National Association, as fiscal agent (the "Fiscal Agent") to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to

the DTC participants for subsequent disbursement to the Beneficial Owners. See “APPENDIX F—BOOK-ENTRY-ONLY SYSTEM.”

See Appendix B for a summary of certain provisions of the Senior Resolution, including, without limitation, certain covenants of the Board, provisions relating to amendments of the Senior Resolution and procedures for defeasance of the Series 2020 Senior Bonds.

No Redemption Prior to Maturity

The Series 2020 Senior Bonds are not subject to redemption prior to maturity.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 SENIOR BONDS

Following is a summary of certain provisions of the Senior Resolution, including but not limited to sections of the Senior Resolution detailing the pledge of Revenues, the rate covenant, the flow of funds, the issuance of additional Senior Bonds, and the Investments. These summaries incorporate the Master Senior Resolution Amendments, which are described in Appendix E hereto, and which will become effective upon the issuance of the Series 2020 Senior Bonds and the defeasance of the Series 2010 Senior Bonds with the proceeds of the Series 2020 Senior Bonds. These summaries do not purport to be comprehensive or definitive. See Appendix B for a more complete description of these provisions of the Senior Resolution.

Pledge of Revenues

The Series 2020 Senior Bonds are special, limited obligations of the City and are secured by a pledge of and lien upon and will be a charge upon and will be payable solely from the Revenues and certain funds and accounts pledged under the Senior Resolution.

Under the Senior Resolution, the Board has pledged, placed a charge upon and assigned all Revenues to secure the payment of all principal of, premium, if any, and interest on the Senior Bonds in accordance with their respective terms, without priority or distinction of one over the other, subject only to the provisions of the Senior Resolution permitting the application thereof for the purposes and on the terms and conditions provided therein. “Revenues” means all revenues and all money secured or collected for the benefit of and received by the Board from or arising out of the use or operation of the Port, including, without limitation, all tolls, charges, rentals, compensations or fees required to be paid for services, franchises or licenses, as permitted or required by the Charter or otherwise by law, ordinance or order, to the City for the operation of any public service utility upon lands and waters under the control and management of the Harbor Department and all investment earnings credited to the Harbor Revenue Fund and not required to be credited to a sub-fund, excepting therefrom (i) Special Facility Revenues, and (ii) any revenues arising from any lease, contract or other agreement providing for the drilling for, developing, producing, extracting, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances from the tide and submerged lands granted to the City by the State.

As used in this Official Statement, “Port of Long Beach” or “Port” means the entire harbor system subject to and under the jurisdiction of the Board as defined in the Charter, and including, without limitation, all harbor or port improvements, works, utilities, appliances, facilities and water craft, owned, controlled or operated by the City in or upon or pertaining to the waterfront or navigable waters of the City as such system now exists together with all additions acquired, constructed or financed with surplus revenues or funds derived from the sale of indebtedness authorized by the Master Senior Resolution or any subsequent resolution of the Board, together with all improvements and extensions to said system later constructed or acquired.

The Board, on behalf of the City, also has pledged all amounts on deposit in the Principal Account and the Interest Account of the Bond Service Fund, to secure payment of the Senior Bonds without priority or distinction of one over the other. In all cases, such pledges are subject only to the provisions of the Senior

Resolution permitting the application thereof for the purposes and on the terms and conditions provided in the Senior Resolution. See “—Flow of Funds” below.

The principal of and interest on any Series 2020 Senior Bonds are not a debt of 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 Revenues and the funds and accounts which are pledged to the payment of the Series 2020 Senior Bonds and interest thereon. The general fund of the City is not liable for the payment of any Series 2020 Senior Bonds or interest thereon, nor is the credit or taxing power of the City pledged for the payment of any Series 2020 Senior Bonds or interest thereon. An Owner of any Series 2020 Senior Bond may not compel the exercise of the taxing power by the City or the forfeiture of any of its property.

Rate Covenant

The Master Senior Resolution provides that the City, acting by and through the Board, shall prescribe, revise and collect such charges, rentals, compensation or fees required to be paid for services, franchises, leases or licenses, as permitted or required by the Charter or otherwise by law, ordinance or order, to the City for operation upon lands and waters under the control and management of the Board, which, after making allowances for contingencies and error in the estimates, produce Revenues in each Fiscal Year equal to 1.25 times Maximum Annual Debt Service on the Senior Bonds and which are sufficient, taking into account all other moneys available or reasonably expected to be available to the Harbor Department, to pay the following amounts:

- (a) the interest on and principal of all Outstanding Senior Bonds as the same becomes due and payable;
- (b) all payments required for compliance with the Senior Resolution including payments required to be made into any reserve fund required to be maintained pursuant to any Supplemental Senior Resolution;
- (c) the interest on and principal of all outstanding Subordinate Obligations (including the Subordinate Revolving Obligations, the 2014 Subordinate TIFIA Loan (provided the Harbor Department draws down the loan) and the Additional Subordinate TIFIA Loan (if received and provided the Harbor Department draws down the loan), and any payments required to be made into any reserve fund established with respect to the Subordinate Obligations;
- (d) all Maintenance Costs; and
- (e) all payments required to meet any other obligations of the City, such as the payment of the Harbor Department’s Shortfall Advances (as defined herein) and Surety Obligation Payments (as defined herein), which are charges, liens and encumbrances upon or payable from the Revenues.

See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE” for additional information on the Outstanding Senior Bonds and Subordinate Obligations.

Flow of Funds

The Charter and the Master Senior Resolution require all Revenues of the Harbor Department to be deposited with the Treasurer and placed in the Harbor Revenue Fund established by the Charter. From Revenues on deposit in the Harbor Revenue Fund, the Treasurer is required to transfer to the Bond Service Fund established under the Master Senior Resolution and maintained by the Treasurer and any reserve fund established for a Series of Senior Bonds under a Supplemental Senior Resolution adopted in connection with the issuance of Senior Bonds, amounts sufficient to pay the principal, premium, if any, and interest on the Senior Bonds and to maintain in such funds the balances required by the Master Senior Resolution and any Supplemental Senior

Resolution adopted in accordance therewith. The Master Senior Resolution requires that all Revenues remaining in the Harbor Revenue Fund after making such transfers will be used first, to pay the principal, premium, interest, other payment obligations and reserve fund requirements of any Subordinate Obligations, and second, to pay the reasonable expenses of management and other expenses necessary to operate, maintain and preserve the Port in good repair and working order (“Maintenance Costs”). After the payment of Maintenance Costs, remaining Revenues constitute surplus revenues and may be used for any lawful purpose. The Board’s obligation to make the Shortfall Advances and the Surety Obligation Payments in connection with the Alameda Corridor (as defined herein) is payable from surplus revenues. For a description of the Shortfall Advances, the Surety Obligation Payments and the Alameda Corridor, see “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Other Obligations—ACTA Shortfall Advances and Surety Obligation Payments” herein. The pledge of Revenues to secure the payment of principal of, premium, if any, and interest on the Senior Bonds is irrevocable until all such obligations are no longer deemed outstanding. For a further description of the flow of funds and a description of the funds and accounts established and maintained under the Senior Resolution, see “APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR RESOLUTION—MASTER SENIOR RESOLUTION—Application of Funds and Accounts.”

No debt service reserve fund will be established to secure the payment of the principal of and interest on the Series 2020 Senior Bonds. See “CERTAIN INVESTMENT CONSIDERATIONS - No Reserve Fund Established for Series 2020 Senior Bonds.” Upon issuance of the Series 2020 Senior Bonds and the defeasance of the Series 2010 Senior Bonds with the proceeds of the Series 2020 Senior Bonds, no other Senior Bonds will be secured by a debt service reserve fund.

Funds Held by Third Parties

Pursuant to Resolution No. HD-1940 (the “Sixth Supplemental Senior Resolution”) adopted by the Board on November 2, 1998, the Treasurer is authorized to appoint and engage agents as may be appropriate to perform the duties and obligations of the Treasurer to establish and maintain certain funds and accounts (except the Harbor Revenue Fund). In connection with the issuance of the Series 2020 Senior Bonds, the Treasurer will enter into a trustee services agreement with U.S. Bank National Association to establish and maintain the Series 2020 Costs of Issuance Fund and the Series 2020 Rebate Fund. All such funds will be held in trust, disposed of and invested in accordance with instructions given by the Treasurer. None of such funds are pledged under the Senior Resolution to secure the Series 2020 Senior Bonds.

Additional Senior Bonds

Under the Master Senior Resolution, the City, acting by and through the Board, has covenanted that it will not incur any indebtedness having any priority in payment from Revenues over the Senior Bonds (including the Series 2020 Senior Bonds).

Under the Master Senior Resolution, the Board, on behalf of the City, has covenanted not to issue additional Senior Bonds payable from and secured by Revenues on parity with the Existing Senior Bonds & Notes and the Series 2020 Senior Bonds unless (a) such additional Senior Bonds are issued to pay or discharge outstanding Senior Bonds (“Refunding Senior Bonds”), or (b) at the time such additional Senior Bonds are issued (i) the City is not in default under the terms of the Master Senior Resolution and (ii) either (A) the Net Revenues for the last completed Fiscal Year or the 12 month period ended not more than one month before the issuance or incurrence of such additional Senior Bonds as set forth in a certificate of the Board or (B) the estimated Net Revenues for the 12 month period when the improvements or extensions to the Port financed with the proceeds of the additional Senior Bonds will be in operation as estimated by and set forth in a certificate of an independent certified public accountant or an independent engineer appointed by the Board, amount to at least 1.25 times Maximum Annual Debt Service on all Senior Bonds outstanding immediately subsequent to the issuance of such additional Senior Bonds.

“Net Revenues” means, for any period, Revenues for such period less Maintenance Costs for such period. For purposes of determining compliance with clauses (b)(ii)(A) and (B) in the above paragraph, there may be included in Net Revenues either or both of the following: (1) an allowance for any increase in Net Revenues (including, without limitation, a reduction in Maintenance Costs) which may arise from any additions to and extensions and improvements to the Port to be made or acquired with the proceeds of such additional Senior Bonds or with the proceeds of Senior Bonds previously issued or incurred and also for increases in Net Revenues from any additions, extensions or improvements which have been made or acquired with moneys from any source but which, during the Fiscal Year or 12 month period used for the calculation, were not in service, all in an amount equal to the estimated additional average annual Net Revenues to be derived from such additions, extensions and improvements for the first 36 month period in which each addition, extension or improvement is respectively to be in operation, all as shown by the certificate or opinion of a qualified independent engineer employed by the Board; and/or (2) an allowance for earnings arising from any increase in the charges made for the use of the Port which has become effective prior to the issuance of such additional Senior Bonds, but which, during the last completed Fiscal Year or 12 month period, was not in effect, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or last completed 12 month period, as shown by the certificate or opinion of a qualified independent engineer employed by the Board.

The Series 2020 Senior Bonds will be issued as Refunding Senior Bonds and therefore, the Board will not be required to provide the additional bonds certificate described above.

The Master Senior Resolution does not restrict the City from issuing or incurring indebtedness having a lien upon Revenues which is subordinate to that of the Senior Bonds.

Investments

All moneys in any of the funds and accounts held by the Treasurer and its agents and established pursuant to the Senior Resolution will be invested solely in Investment Securities maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Treasurer. See “FINANCIAL DATA—Investment Policy” for further information on the City’s investment policy.

OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE

Outstanding Senior Bonds & Notes

Pursuant to the Master Senior Resolution, the City, acting by and through the Board, issued the Existing Senior Bonds & Notes, which as of January 1, 2020, were outstanding in the aggregate principal amount of \$1,063,185,000.

[Remainder of page intentionally left blank]

The following table sets forth the Existing Senior Bonds & Notes which have been issued and were outstanding as of January 1, 2020.

TABLE 1
Harbor Department of the City of Long Beach
Existing Senior Bonds & Notes
(as of January 1, 2020)

Existing Senior Bonds & Notes	Original Principal Amount	Principal Amount Outstanding	Final Maturity Date
Series 2010A ⁽¹⁾	\$200,835,000	\$97,475,000	5/15/2025
Series 2010B ⁽²⁾	158,085,000	109,200,000	5/15/2027
Series 2014B	20,570,000	11,700,000	5/15/2027
Series 2015A	44,845,000	33,115,000	5/15/2023
Series 2015B	20,130,000	20,130,000	5/15/2025
Series 2015C	66,085,000	66,085,000	5/15/2032
Series 2015D	66,865,000	66,865,000	5/15/2042
Series 2017A	101,610,000	101,610,000	5/15/2040
Series 2017B	25,985,000	25,985,000	5/15/2043
Series 2017C	42,660,000	42,660,000	5/15/2047
Series 2018A	327,050,000 ⁽³⁾	327,050,000	12/15/2020
Series 2019A	161,310,000	161,310,000	5/15/2049
Total	\$1,236,030,000	\$1,063,185,000	

⁽¹⁾ The Series 2010A Senior Bonds will no longer be outstanding as of the date of delivery of the Series 2020 Senior Bonds. See “PLAN OF REFUNDING” for a further discussion of the refunding and defeasance of the Refunded Bonds.

⁽²⁾ The Series 2010B Senior Bonds will no longer be outstanding as of the date of delivery of the Series 2020 Senior Bonds. See “PLAN OF REFUNDING” for a further discussion of the refunding and defeasance of the Refunded Bonds.

⁽³⁾ The Harbor Department expects to pay a portion of the principal of the Series 2018A Senior Notes, or any obligations that may be issued to refinance the Series 2018A Senior Notes, on their maturity date with the proceeds of the 2014 Subordinate TIFIA Loan. See “—Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations) — 2014 Subordinate TIFIA Loan.”

Source: Harbor Department.

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Senior Bonds & Notes Debt Service Requirements

The following table sets forth the debt service requirements of the Existing Senior Bonds & Notes and the Series 2020 Senior Bonds.

**TABLE 2
Harbor Department of the City of Long Beach
Senior Bonds & Notes Debt Service Requirements ⁽¹⁾**

Bond Year Ending May 15	Total Debt Service Requirements for Existing Prior Senior Bonds & Notes ⁽²⁾	Principal Requirements for Series 2020 Senior Bonds	Interest Requirements for Series 2020 Senior Bonds	Total Senior Bonds Debt Service
2020	\$ ⁽³⁾	-	\$	\$
2021	⁽⁴⁾	-		
2022		-		
2023		-		
2024		-		
2025		-		
2026		\$		
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048	-			
2049	-			
Total	\$	\$	\$	\$

⁽¹⁾ Numbers may not sum due to rounding.

⁽²⁾ Does not include debt service on the Refunded Bonds expected to be redeemed and/or defeased from the proceeds of the Series 2020 Senior Bonds, and does include debt service on the Series 2020 Senior Bonds expected to be issued on or about February [19], 2020. See “-PLAN OF REFUNDING.”

⁽³⁾ Does not include \$16,352,000 of interest with respect to Series 2018A Senior Notes to be paid from capitalized interest.

⁽⁴⁾ Does not include \$5,859,646 of interest with respect to Series 2018A Senior Notes to be paid from capitalized interest and \$325,000,000 of the principal of the Series 2018A Senior Notes due on December 15, 2020, which the Harbor Department

expects to either pay with the proceeds of the 2014 Subordinate TIFIA Loan, or refinance with new harbor revenue refunding short-term notes, which harbor revenue refunding short-term notes the Harbor Department expects to pay at maturity with the proceeds of the 2014 Subordinate TIFIA Loan.

Source: Harbor Department and Public Resources Advisory Group.

Senior Debt Service Coverage

A summary of Revenues, Maintenance Costs, Net Revenues, Senior Debt Service and debt service coverage for Fiscal Years 2015 through 2019 is presented below.

TABLE 3
Harbor Department of the City of Long Beach
Senior Debt Service Coverage
(\$000's)

Fiscal Year	Revenues ¹	Maintenance Costs ²	Net Revenues ³	Senior Debt Service ⁴	Senior Debt Service Coverage	
					Gross ⁵	Net ⁶
2015	\$359,486	\$133,771	\$225,715	\$78,363	4.6	2.9x
2016	365,298	143,873	221,425	73,026	5.0	3.0
2017	382,716	142,641	240,076	72,076	5.3	3.3
2018	406,486	139,259	267,227	79,568	5.1	3.4
2019 ⁷	430,238	131,386	298,852	77,024	5.6	3.9

¹ Calculated in accordance with the provisions of the Master Senior Resolution. Includes Total Port Operating Revenue and Interest Income as shown in “Table 10, Harbor Department of the City of Long Beach, Comparative Summary of Statements of Revenues and Expenses” set forth below.

² Calculated in accordance with the provisions of the Master Senior Resolution. Includes all Port Operating Expenses excluding Depreciation and Amortization as shown in “Table 10, Harbor Department of the City of Long Beach, Comparative Summary of Statements Revenues and Expenses” set forth below.

³ Revenues less Maintenance Costs.

⁴ Includes debt service on all Senior Bonds, except for principal and interest paid with moneys other than Revenues (i.e., capitalized interest). The Harbor Revenue Short-Term Notes, Series 2014C in the principal amount of \$325 million were paid with proceeds of the Series 2018A Senior Notes on November 15, 2018.

⁵ Revenues divided by Senior Debt Service.

⁶ Net Revenues divided by Senior Debt Service.

⁷ Unaudited.

Source: Revenues and Maintenance Costs are derived from the Harbor Department’s audited financial statements for Fiscal Years 2015-2018 and the Harbor Department’s unaudited financial statements for Fiscal Year 2019.

Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations)

2014 Subordinate TIFIA Loan. The City, acting by and through the Board, entered into the 2014 Subordinate TIFIA Loan Agreement with the 2014 Subordinate TIFIA Lender, pursuant to which the 2014 Subordinate TIFIA Lender, subject to certain conditions, agreed to make the 2014 Subordinate TIFIA Loan to the City, acting by and through the Board, in an amount not to exceed \$325 million. The proceeds of the 2014 Subordinate TIFIA Loan, if drawn, will be used by the Harbor Department to finance and refinance the costs of the Gerald Desmond Bridge Replacement Project. See “CAPITAL DEVELOPMENT PROGRAM—2019-28 Capital Plan—Gerald Desmond Bridge Replacement Project.”

The proceeds of the 2014 Subordinate TIFIA Loan are expected to be drawn, if ever, no later than [_____] 2021, which is one year after substantial completion of the Gerald Desmond Bridge (currently projected

to be by [June 2020]). Pursuant to the terms of the Twenty-First Supplemental Senior Resolution, the Board has reserved the right (but is not obligated to) use all or a portion of the proceeds of the 2014 Subordinate TIFIA Loan to pay a portion of the principal of the Series 2018A Senior Notes on their maturity date (December 15, 2020), or any obligations that may be issued to refinance the Series 2018A Senior Notes, and/or to pay additional federally eligible costs of the Gerald Desmond Bridge Replacement Project.

Disbursement of the proceeds of the 2014 Subordinate TIFIA Loan is subject to certain conditions precedent, including, among others, the following: (a) certain conditions precedent that were satisfied in connection with the execution and delivery of the 2014 Subordinate TIFIA Loan Agreement must continue to remain in place, including, among others, the 2014 Subordinate TIFIA Loan needs to be rated at least “A-” by two rating agencies (as of the date hereof, the 2014 Subordinate TIFIA Loan is rated “AA-” by Fitch Ratings and “AA-” by S&P Global Ratings); (b) substantial completion of the Gerald Desmond Bridge Replacement Project must have occurred; (c) an updated financial plan, acceptable to the 2014 Subordinate TIFIA Lender, must be provided, demonstrating that projected Revenues and Subordinate Revenues will be sufficient to satisfy the rate coverage ratios set forth in the 2014 Subordinate TIFIA Loan Agreement; (d) all applicable insurance policies with respect to the Port must be in full force and effect; (e) if the Gerald Desmond Bridge Replacement Project has not yet been transferred to Caltrans, all applicable permits and governmental approvals necessary to operate and maintain the new bridge must be in full force and effect; (f) no event of default under the 2014 Subordinate TIFIA Loan Agreement, the Master Subordinate Resolution or Resolution No. HD-2763 adopted by the Board on May 12, 2014 (the “Third Supplemental Subordinate Resolution”) shall have occurred and be continuing; (g) all of the representations and warranties of the City, acting by and through the Board, set forth in the 2014 Subordinate TIFIA Loan Agreement must be true and correct in all material respects as of the date of disbursement; and (h) no material adverse change in (i) the business, operations, properties or condition (financial or otherwise) of (A) the Port, or (B) if the Gerald Desmond Bridge Replacement Project has not yet been transferred to Caltrans, the new bridge, (ii) the legality, validity or enforceability of any material provision of any the 2014 Subordinate TIFIA Loan Agreement, the Master Subordinate Resolution or the Third Supplemental Subordinate Resolution, (iii) the ability of the City, acting by and through the Board, to perform or comply with any of its material obligations under any of the 2014 Subordinate TIFIA Loan Agreement, the Master Subordinate Resolution or the Third Supplemental Subordinate Resolution, (iv) the validity, perfection or priority of the senior Revenue lien or the subordinate Revenue lien or (v) the 2014 Subordinate TIFIA Lender’s rights or remedies available under any of the 2014 Subordinate TIFIA Loan Agreement, the Master Subordinate Resolution or the Third Supplemental Subordinate Resolution, shall have occurred and be continuing since the date the Harbor Department first submitted its application to the 2014 Subordinate TIFIA Lender for the 2014 Subordinate TIFIA Loan.

The 2014 Subordinate TIFIA Loan, if and when drawn, will be secured by a pledge of Subordinate Revenues (consisting of Revenues minus the payment of debt service on the Senior Bonds (including the Series 2020 Senior Bonds) and the required deposits to any debt service reserve fund established with respect to the Senior Bonds) on parity with the Subordinate Revolving Obligations. The final maturity date of the 2014 Subordinate TIFIA Loan will be no more than 35 years after substantial completion of the Gerald Desmond Bridge. Pursuant to the provisions of the 2014 Subordinate TIFIA Loan Agreement, the 2014 Subordinate TIFIA Lender has the right to accelerate the payment of the principal of and interest on the 2014 Subordinate TIFIA Loan upon the occurrence of certain events of default set forth in the 2014 Subordinate TIFIA Loan Agreement. See “CERTAIN INVESTMENT CONSIDERATIONS—Remedies Upon Default.”

Subordinate Revolving Obligations. Pursuant to the Master Subordinate Resolution, the Subordinate Revolving Obligations Supplemental Resolutions and the Subordinate Revolving Obligations Credit Agreement, the City, acting by and through the Board, is authorized to issue and have outstanding, from time to time, up to \$200 million in aggregate principal amount of its Subordinate Revolving Obligations. As of January 1, 2020, there were [no Subordinate Revolving Obligations outstanding]. The Subordinate Revolving Obligations are secured by a pledge of Subordinate Revenues on parity with the 2014 Subordinate TIFIA Loan (if drawn) and the Additional Subordinate TIFIA Loan (if received and if drawn). All Subordinate Revolving Obligations issued by the City, acting by and through the Board, are purchased by the Subordinate Revolving Obligations

Bank (MUFJ Union Bank, N.A.) in accordance with the terms of the Subordinate Revolving Obligations Credit Agreement. Pursuant to the terms of the Subordinate Revolving Obligations Credit Agreement, the Subordinate Revolving Obligations bear interest at floating rates set forth in the Subordinate Revolving Obligations Credit Agreement. Except as otherwise provided in the Subordinate Revolving Obligations Credit Agreement, the principal of all Subordinate Revolving Obligations outstanding is due and payable on May 13, 2022. However, subject to the terms of the Subordinate Revolving Obligations Credit Agreement, on May 13, 2022, the City, acting by and through the Board, can convert any outstanding Subordinate Revolving Obligations to a term loan that will be payable over a three year period after the May 13, 2022 maturity date. Pursuant to the provisions of the Subordinate Revolving Obligations Credit Agreement, the Subordinate Revolving Obligations Bank has the right to accelerate the payment of the principal of and interest on the Subordinate Revolving Obligations upon the occurrence of certain events of default set forth in the Subordinate Revolving Obligations Credit Agreement. See “CERTAIN INVESTMENT CONSIDERATIONS—Remedies Upon Default.”

Future Financings (Additional Senior Bonds and Subordinate Obligations)

On or about [_____], 2020, pursuant to the Master Senior Resolution, the City, acting by and through the Board, intends to issue \$[_____] aggregate principal amount of the City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2020C (the “Series 2020C Senior Notes”), the proceeds of which will be used for the purposes of (a) paying and/or reimbursing the Harbor Department for capital expenditures incurred or to be incurred by the Harbor Department at the Port, including, but not limited to, the construction of the replacement for the Gerald Desmond Bridge, (b) funding capitalized interest on the Series 2020C Senior Notes through approximately [_____], and (c) paying the financing costs and the costs of issuing the Series 2020C Senior Notes. See “CAPITAL DEVELOPMENT PROGRAM—Funding Sources of 2019-28 Capital Plan” for a discussion of the Harbor Department’s potential issuance of additional Subordinate Obligations in the future to finance a portion of the costs of the 2019-28 Capital Plan.

[In addition to the 2014 Subordinate TIFIA Loan, in April 2018, the Harbor Department submitted a letter of interest with the Additional Subordinate TIFIA Lender requesting that the Additional Subordinate TIFIA Lender make the Additional Subordinate TIFIA Loan to the Harbor Department (currently requested in the amount of \$145 million) to finance or refinance additional costs of the Gerald Desmond Bridge Replacement Project. See “CAPITAL DEVELOPMENT PROGRAM—2019-28 Capital Plan—Gerald Desmond Bridge Replacement Project.” On April 16, 2019, the Harbor Department was informed by the Additional Subordinate TIFIA Lender that its letter of interest has been advanced to the “creditworthiness review stage.” If after the creditworthiness review stage the Additional Subordinate TIFIA Lender invites the Harbor Department to apply for a loan and such application is approved by the Additional Subordinate TIFIA Lender, the Harbor Department anticipates that the Additional Subordinate TIFIA Loan will be secured by a pledge of Subordinate Revenues on parity with the 2014 Subordinate TIFIA Loan (if drawn) and the Subordinate Revolving Obligations. The proceeds of the Additional Subordinate TIFIA Loan, if received, are anticipated to be available to pay the principal of the Series 2020C Senior Notes (if issued) on their maturity date and/or to pay additional federally eligible costs of the Gerald Desmond Bridge Replacement Project. The Harbor Department and the Additional Subordinate TIFIA Lender are currently negotiating the terms of the loan agreement for the Additional Subordinate TIFIA Loan. As of the date of this Official Statement, the Harbor Department expects the terms of this new loan agreement will be substantially similar to the terms of the 2014 Subordinate TIFIA Loan Agreement.]

The City, acting by and through the Board, may issue and have outstanding up to \$200 million aggregate principal amount of Subordinate Revolving Obligations from time to time pursuant to the Master Subordinate Resolution, the Subordinate Revolving Obligations Supplemental Resolutions and the Subordinate Revolving Obligations Credit Agreement and purchased by the Subordinate Revolving Obligations Bank. See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations)—Subordinate Revolving Obligations.”

The City, acting by and through the Board, may issue additional Senior Bonds and/or Subordinate Obligations in the future to finance a portion of the costs of the 2019-28 Capital Plan or to refund outstanding Senior Bonds and/or Subordinate Obligations.

Other Obligations

ACTA Shortfall Advances, Surety Obligation Payments and Other ACTA Developments. In 1999, the Alameda Corridor Transportation Authority (“ACTA”) issued and entered into obligations to finance a portion of the cost of the design and construction of a 20 mile long, multiple-track rail system linking the railyards and tracks at the Port and the Port of Los Angeles (together, the “San Pedro Bay Ports”) with the Railroads’ (as defined in the following paragraph) transcontinental mainlines originating near downtown Los Angeles (the “Alameda Corridor”). See “THE PORT OF LONG BEACH—Current Port Facilities—General.” The Alameda Corridor was financed with contributions from the Harbor Department and the Port of Los Angeles, proceeds of taxable and tax-exempt bonds issued by ACTA, a federal loan (which was prepaid in May 2004 with the proceeds of subordinate taxable and tax-exempt bonds issued by ACTA), a grant from the Los Angeles County Metropolitan Transportation Authority, and various other grant moneys. As of September 30, 2019, ACTA had outstanding approximately \$2.2 billion aggregate principal/accreted value of taxable and tax-exempt bonds (collectively, the “ACTA Obligations”). The ACTA Operating Agreement was amended and restated as of December 15, 2016.

On October 12, 1998, the City, acting by and through the Board, the City of Los Angeles, acting by and through its Board of Harbor Commissioners, ACTA, the Union Pacific Railroad Company (“Union Pacific”), and BNSF Railway Company (formerly known as The Burlington Northern and Santa Fe Railway Company) (“BNSF” and together with Union Pacific, the “Railroads”) entered into the Alameda Corridor Use and Operating Agreement, as amended (the “ACTA Operating Agreement”). The ACTA Operating Agreement governs the administration, operation and maintenance of the Alameda Corridor and the collection and application of use fees, container charges, maintenance and operation charges and Shortfall Advances. The ACTA Obligations are payable from the use fees and container charges, payable by the Railroads, and from Shortfall Advances.

The ACTA Operating Agreement requires the Harbor Department and the Port of Los Angeles, severally and not jointly, to make payments (the “Shortfall Advances”) in the event the amount of use fees and container charges collected from the Railroads are not sufficient to make the debt service payments on the ACTA Obligations. Pursuant to the ACTA Operating Agreement, the Harbor Department and the Port of Los Angeles are each obligated to make up one-half of any deficiency in the payment of debt service on the ACTA Obligations. However, the Harbor Department and the Port of Los Angeles are liable only for a maximum of 40% (20% each) of the total amount of debt service due in each year on the ACTA Obligations. Additionally, neither the Harbor Department nor the Port of Los Angeles is required to make Shortfall Advances that should have been paid by the other party. Based upon the September 30, 2019 outstanding amount of the ACTA Obligations, the Harbor Department and the Port of Los Angeles are potentially liable for a maximum of approximately \$1.5 billion (the Harbor Department and the Port of Los Angeles each being liable for approximately \$750 million) of debt service payments on the ACTA Obligations through 2037. Pursuant to the ACTA Operating Agreement, the Harbor Department is obligated to include any forecasted Shortfall Advances in its budget for each Fiscal Year. The Harbor Department and the Port of Los Angeles were first required to pay Shortfall Advances in calendar year 2011 when they paid a total of \$5.9 million (\$2.95 million each) for debt service payments due on October 1, 2011. The Harbor Department and the Port of Los Angeles were again required to pay Shortfall Advances in calendar year 2012 when they paid a total of \$5.9 million (\$2.95 million each) for debt service payments due on October 1, 2012. Since the 2012 payment, the Harbor Department and the Port of Los Angeles have not been required to pay Shortfall Advances.

In May 2016, ACTA issued its Tax-Exempt Subordinate Lien Revenue Refunding Bonds, Series 2016A, and Tax-Exempt Second Subordinate Lien Revenue Refunding Bonds, Series 2016B Bonds (collectively, the “Series 2016 ACTA Bonds”), the proceeds of which were used to, among other things, refund a portion of

ACTA's outstanding Tax-Exempt Subordinate Lien Revenue Bonds, Series 2004A Bonds. The issuance of the Series 2016 ACTA Bonds included extending the payment of principal that was scheduled to mature in Fiscal Years 2017 through 2026, and thereby the projected Shortfall Advances that the Harbor Department and the Port of Los Angeles were expected to make in those years were eliminated. Although this restructuring increased the overall amount of the debt service on the outstanding ACTA bonds, it generated significant relief from projected Shortfall Advances for the Harbor Department and the Port of Los Angeles through Fiscal Year 2026. The Harbor Department expects that it (and the Port of Los Angeles) may be required to make one or more additional Shortfall Advances between 2026 and 2037, however, as of the date of this Official Statement, the Harbor Department cannot predict either the amount or timing of any such Shortfall Advances.

In connection with ACTA's issuance of \$83,710,000 of its Taxable Senior Lien Revenue Refunding Bonds, Series 2012 (the "Series 2012 ACTA Bonds"), the Harbor Department and the Port of Los Angeles entered into a debt service reserve surety agreement (the "Series 2012 ACTA Surety Agreement"). Pursuant to the Series 2012 ACTA Surety Agreement, the Harbor Department and the Port of Los Angeles each agreed to make individual payments of up to \$3.6 million (the "Surety Obligation Payments") to pay the principal of and interest on the Series 2012 ACTA Bonds in the event the amount of use fees and container charges collected from the Railroads are not sufficient to make the debt service payments on the Series 2012 ACTA Bonds. The Harbor Department's (and the Port of Los Angeles') obligation under the Series 2012 Surety Agreement will decrease as deposits, if any, are made to the debt service reserve fund established for the Series 2012 ACTA Bonds. Since the execution of the Series 2012 ACTA Surety Agreement through October 1, 2019, ACTA has made cash deposits of approximately \$7.2 million to the debt service reserve fund for the Series 2012 ACTA Bonds, thereby eliminating the need for the Series 2012 ACTA Surety Agreement between the Harbor Department and the Port of Los Angeles. The Harbor Department's (and the Port of Los Angeles's) obligation under the Series 2012 Surety Agreement to make the Surety Obligation Payments has been released for the Series 2012 ACTA Bonds.

The Harbor Department is obligated to make the Shortfall Advance Payments from any legally available source of excess revenues after making all payments due with respect to the Senior Bonds (including the Series 2020 Senior Bonds) and the Subordinate Obligations, and the payment of all Maintenance Costs. The Harbor Department's obligation to make Shortfall Advance Payments is to continue even though use fees may be abated as a result of complete blockage of the rail corridor for more than five days. Shortfall Advance Payments are to be reimbursed to the Harbor Department and the Port of Los Angeles from use fees and container charges to the extent available, after payment of debt service on the ACTA Obligations, the funding of any reserves associated with the ACTA Obligations, the payment of maintenance and operating expenses of the Alameda Corridor, and the payment of administrative and other amounts.

In April 2019, ACTA's Governing Board approved the selection of a new maintenance contractor for the Alameda Corridor. RailWorks Track Services, Inc.'s (RailWorks) contract commenced on May 1, 2019, for a five-year term with a five-year renewal option. Expenditures related to the maintenance of the Alameda Corridor were higher during the first two months, as the previous contractor, Balfour Beatty Infrastructure, Inc. (BBII) and RailWorks both provided services during the transition period.

ACTA's Chief Executive Officer and Chief Financial Officer have announced that they both intend to retire in the near future. The Chief Executive Officer [plans to retire on or about]/[retired on] December 13, 2019. The Chief Financial Officer intends to retire during the 2020 calendar year, after assisting with the transition to a new management team.

Transfers to City. Pursuant to Chapter XII, Section 1209(c)(4) of the Charter, at the beginning of each Fiscal Year, by a two-thirds vote of the members of the City Council of the City (the "City Council") may determine that an amount not to exceed 5% of the gross operating revenues of the Harbor Department for the previous Fiscal Year shall be transferred from the Harbor Revenue Fund to the City's Tideland's Operating Fund. Any amounts transferred to the City's Tideland's Operating Fund must be approved by a majority of all members of the Board. When approving any transfer, the Board must determine that the amount to be transferred

will not be needed for Harbor Department operations, including, without limitation, operating expenses and capital projects, and that such transfer will not result in insufficient funds to pay the principal and interest on the Senior Bonds, or otherwise impair the ability to meet covenants with respect to the Senior Bonds. The Harbor Department transferred approximately \$20.1 million (5% of the Harbor Department's Fiscal Year 2018 gross operating revenue) from the Harbor Revenue Fund to the City's Tideland's Operating Fund for the Fiscal Year ended September 30, 2019. The Board approved the transfer of approximately \$20.1 million (unaudited) (5% (unaudited) of the Harbor Department's Fiscal Year 2019 gross operating revenue) from the Harbor Revenue Fund to the City's Tideland's Operating Fund during Fiscal Year 2020. The Harbor Department expects that for the foreseeable future transfers will continue to be made each Fiscal Year from the Harbor Revenue Fund to the City's Tideland's Operating Fund.

Repayment Obligations. Under certain circumstances the obligation of the Board, pursuant to a written agreement, to reimburse the provider of a credit facility or a liquidity facility (a "Repayment Obligation") may be secured by a pledge of and lien on Revenues on parity with the Senior Bonds. If a credit provider or liquidity provider advances funds to pay principal or the purchase price of or the interest on Senior Bonds, all or a portion of the Board's Repayment Obligation may be afforded the status of a Senior Bond under the Senior Resolution. The Board currently does not have any Repayment Obligations outstanding.

Harbor Department Internal Debt Management Policy

As part of its Debt Management Policy (which was approved via ordinance in 2011 by the Board), the Harbor Department is required to (a) maintain a minimum debt service coverage ratio ([operating revenue plus interest income minus operating expenses before depreciation and amortization] divided by [annual debt service on all of the Harbor Department's debt]) of 2.0, and (b) maintain a minimum unrestricted cash balance of 600 days of prior Fiscal Year operating expenses (before depreciation and amortization). This policy is an internal guide for the Harbor Department and if not maintained will not be an event of default under the Senior Resolution. Although the Board currently intends to maintain these requirements in the Debt Management Policy, the Board could take future actions that reduce or eliminate these requirements.

THE PORT OF LONG BEACH

General

According to the American Association of Port Authorities, the Port was the number two-ranked container port in the nation in terms of container cargo for the year ended December 31, 2018.³ The facilities at the Port moved approximately 8.1 million TEUs for the calendar year ended December 31, 2018. According to statistics compiled by Alphaliner, during calendar year 2018, the Port was the 20th busiest container port in the world.⁴ As a comparison point, the facilities at the Port moved approximately 7.7 million TEUs (unaudited) for the Fiscal Year ended September 30, 2019. See "CERTAIN INVESTMENT CONSIDERATIONS—Port Competition" for additional information about the Port's competitors. The Port is a harbor complex located two miles from open sea in an 11.9 square-mile area (the "Harbor District") within the City and on 359 acres of the City of Los Angeles adjacent to the City. The Port is held in trust by the City pursuant to certain tideland and submerged land grants from the State to the City and is operated by the Harbor Department. The Harbor Department was created in 1931 by an amendment to the Charter. See "—Power and Authority of the Board" below.

Development of a harbor in the City began in 1905 when private interests acquired 800 acres of property for port purposes. An ocean entrance to this area was completed in 1909, and in the same year voters of the City approved a \$245,000 bond issue for the purchase of water frontage and construction of the first pier. In 1911, the wharf was opened, and the Port was established. General obligation bond issues were authorized in 1916,

³ Statistics and ranking from the American Association of Port Authorities for calendar year 2019 are not yet available.

⁴ Statistics and ranking from Alphaliner for calendar year 2019 are not yet available.

1924 and 1928 for channel work and construction of additional terminal facilities. With the discovery of oil in 1936, Port development was financed with petroleum revenues, and the general obligation bond issues were fully retired. Since 1965, Port development has been financed primarily with surplus revenues and the proceeds of revenue bonds. No general obligation bonds have been issued for Port development since the 1920's.

In 1990, the U.S. Congress enacted the Defense Base Closure and Realignment Act of 1990 ("DBCRA"), which established a decision making process for the closure of U.S. military bases throughout the world. Pursuant to DBCRA, the Long Beach Naval Station and the Long Beach Naval Shipyard (collectively, the "Naval Complex") were included in the base closures announced during 1991 and 1995, respectively. The Naval Complex consists of 1,140 acres (686 acres of water and 454 acres of land) located on the west side of the Harbor District. The City owns 1,084 acres of the Naval Complex and leases the remaining 56 acres from the United States pursuant to the Lease in Furtherance of Conveyance dated as of August 11, 1998 (the "Naval Complex Lease"). The Naval Complex Lease terminates in 2048 unless terminated earlier by the conveyance of the leased property in fee from the United States to the City. The Board anticipates that the remaining 56 acres will be transferred to the City in the future.

The Port currently has 65 deep-water berths (several of which are and will be capable of servicing the largest commercial ships currently afloat and the largest commercial ships currently being designed) with equipment and facilities to handle all types of cargo. See "—Current Port Facilities" below.

The Harbor Department operates the Port as a landlord through various property agreements entered into with tenants of the Port. The property agreements entered into by the Board, which convey the right to use, rent or lease Port assets, include leases, preferential assignment agreements, revocable permits, area assignments and pipeline licenses. The Harbor Department leases and/or assigns docks, wharves, transit sheds, terminals and other facilities to shipping or terminal companies and other private firms for operation of such facilities. Pursuant to the property agreements, the tenants of the Port pay tariff charges (including, but not limited to, wharfage (the charge assessed when cargo crosses the wharf), dockage (the charge assessed for docking a vessel at a berth), storage and demurrage (charges related to the duration that cargo may be stored at the terminal)) and other fees to the Harbor Department for the right to use, rent or lease Port facilities. See "—Property Agreements" and "—Port Tariffs." Comparative operating statistics for the Harbor Department are presented under the caption "—Operating Performance" below. See also "FINANCIAL DATA."

Power and Authority of the Board

Pursuant to Chapter 676, Statutes of 1911, Chapter 102, Statutes of 1925, and Chapter 158, Statutes of 1935, the State conveyed to the City certain tide and submerged lands in trust, for the establishment, improvement and conduct of a harbor to accommodate and promote commerce, navigation and fishing. Consistent with this grant, the Charter confers on the Board exclusive control and management of the Harbor Department and control and jurisdiction over the Harbor District other than the lands used for or in connection with the drilling for, developing production, extracting, processing, taking or removing, storing and disposing of oil, gas and other hydrocarbon substances previously transferred by the State from the Harbor Department's control to the control of the City. Pursuant to the Charter, the Board is authorized, on behalf of the City, to make provisions for the needs of commerce, navigation, recreation and fishery in the Harbor District; to promote, develop, construct, reconstruct, alter, repair, maintain, equip and operate all waterfront properties including piers, wharves, sea walls, docks, basins, channels, slips, landings, warehouses, floating and other plants or works; dredge and reclaim land; construct, equip and operate terminal rail trackage; and to establish, equip and operate all other facilities or aids incident to the development, protection and operation of the Port both inside and outside the Harbor District.

The Charter grants the Board the exclusive power and duty for and on behalf of the City to enter into contracts, leases and agreements, to take legal actions in any matter within its jurisdiction, to exercise the right of eminent domain and to make and enforce general rules and regulations throughout the Harbor District, including the regulation of public service, public utilities and private construction; to fix and collect all rates,

tolls and other charges, including tariffs, for the use and occupation of the public facilities and appliances of the Port; to take charge of, control and supervise the Port and to perform any and all other acts and things which are necessary and proper to carry out the general powers of the City. The Board's actions are not subject to review by the Mayor of the City or the City Council, except that the City Council must approve the issuance of revenue bonds, the annual budget, and appeals of California Environmental Quality Act determinations regarding the environmental impacts of capital projects at the Port. The City Council has approved the issuance of the Series 2020 Senior Bonds.

Management and Administration

The Board. The Board is composed of five members ("Commissioners") appointed by the Mayor of the City subject to confirmation by the City Council. Commissioners must be qualified electors of the City. To assure continuity, the Commissioners serve overlapping six-year terms. Annually, the Board selects a President, Vice President and Secretary from among its members. The current Commissioners are as follows:

Bonnie Lowenthal–President. Ms. Lowenthal was appointed to the Board in July 2017 and her six-year term ends on June 30, 2023. She was elected President of the Board by the other members of the Board in July 2019. She is a former California Assemblywoman, Long Beach City Councilwoman and Vice Mayor, and Long Beach Unified School District Board member. In 1994, Ms. Lowenthal was elected to the first of two terms on the Long Beach school board. She then won the First District City Council seat in a 2001 special election and was elected to full terms in 2002 and 2006 before being elected to the Assembly in 2008. While a City Council member, Ms. Lowenthal was selected as Vice Mayor in 2006. As a Councilwoman, she also served on the board for the Los Angeles County Metropolitan Transportation Authority. She also has served as a licensed family counselor, mental health consultant and educator. Ms. Lowenthal's pre-political work is rooted in the local Cambodian community, beginning as Director of Planning for the United Cambodian Community in 1989. She earned a Bachelor's Degree in Sociology from the University of Wisconsin and a Master's Degree in Community and Clinical Psychology from California State University, Long Beach.

Frank Colonna–Vice President. Mr. Colonna was appointed to the Board in July 2017 to complete the remainder of a former Commissioner's term, which will conclude June 30, 2021. He was elected Vice President of the Board by the other members of the Board in July 2019. He has been a real estate professional and business owner in Long Beach for more than 30 years. Mr. Colonna recently served on the City's Economic Development Commission, from 2015 to 2017. He was elected as Long Beach Councilmember for the Third District in 1998 and reelected in 2002, serving as Vice Mayor from 2002 to 2004. Before entering public service, Mr. Colonna began his own successful real estate business and served eight years as the President of the Belmont Shore Business Association. He also has served in leadership roles with the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the Governing Board of ACTA, and the Gateway Cities Council of Governments. Mr. Colonna graduated from California State University, Long Beach, with a Bachelor of Science degree, and received his master's degree in Environmental Health from California State University, Northridge. After graduation, he joined the military where he honorably served as 1st Lieutenant in the California Army National Guard.

Lou Anne Bynum–Secretary. Ms. Bynum was appointed to the Board in 2014 to fill a vacant seat and was reappointed to the Board in 2015. Her six-year term ends on June 30, 2021. She was elected Secretary of the Board by the other members of the Board in July 2019. Ms. Bynum recently retired from a 20-year career at Long Beach City College ("LBCC"), where she served as Executive Vice President of College Advancement and Economic Development since 2012. Under her leadership, LBCC brought in and administered more than \$125 million in grants and contracts leading to a number of awards for the quality and success of the programs. Ms. Bynum has served in volunteer leadership roles for local, regional and national organizations and is a current appointee by the U.S. Secretary of Commerce to the National Advisory Council on Innovation and Leadership. Ms. Bynum received a

bachelor's degree in History from California State University, Long Beach and a master's Degree in Applied Linguistics/Teaching English to Speakers of Other Languages from the University of California, Los Angeles.

Tracy J. Egoscue–Commissioner. Ms. Egoscue was appointed to the Board in 2014 and her six-year term ends on June 30, 2020. Ms. Egoscue is owner and founder of the City-based environmental law firm, Egoscue Law Group. Before founding Egoscue Law Group, Ms. Egoscue served as counsel for the environmental practice group of the international law firm of Paul Hastings LLP. Prior to that, Ms. Egoscue served as Executive Officer of the State of California Regional Water Quality Control Board-Los Angeles Region and as Executive Director of the Santa Monica Baykeeper. Ms. Egoscue has also served as a Deputy Attorney General for the California Department of Justice. She currently serves on the Board of Directors of the Bay Foundation and Mujeres de la Tierra. Ms. Egoscue received a bachelor's degree from the University of California, Santa Barbara, and a juris doctorate from George Washington University in Washington, D.C.

Steven Neal–Commissioner. Mr. Neal was appointed to the Board in July 2019 and his six-year term will end on June 30, 2025. Mr. Neal is a former Long Beach City Council member who represented the 9th District from 2010 to 2014. He is also the senior pastor for LIFE Gospel Ministries and a longtime leader in the Long Beach community. He has served on the Long Beach Transit board and the Pacific Gateway Workforce Investment Network board and was chairman of the Measure A Citizens' Oversight Committee. He is also co-founder of the Economic and Policy Impact Center, a new nonprofit agency working to advance economic opportunity for working families. A longtime leader in the labor movement since his first election as a shop steward in the Retail Clerks Union Local 324, Mr. Neal worked his way up the ranks as a member of CWA Local 956 to become executive vice president and served in the Los Angeles County Federation of Labor.

The Staff. The Charter provides that the Board appoint and employ an Executive Director, who acts as the chief executive of the Harbor Department and who exercises the management of all affairs of the Harbor Department. The management and administration of the Harbor Department is divided into four bureaus. The Finance and Administration Bureau consists of four divisions: the Finance Division, the Information Management Division, the Real Estate Division and the Risk Management Division. The Commercial Operations Bureau consists of three divisions: the Business Development Division, the Security Services Division and the Tenant Services Division. The Planning and Environmental Affairs Bureau consists of three divisions: the Environmental Planning Division, the Master Planning Division and the Transportation Planning Division. The Engineering Services Bureau consists of six divisions: the Design Division, the Maintenance Division, the Program Management Division, the Construction Management Division, the Project Controls Division and the Survey Division. The Finance and Administration Bureau and the Commercial Operations Bureau both report to the Deputy Executive Director, Administration & Operations. The Planning and Environmental Affairs Bureau and the Engineering Bureau both report to the Deputy Executive Director, Planning and Development. Three divisions are not housed in any Bureau: the Communications Division, the Human Resources Division, and the Government Relations Division. These three divisions all report to the Deputy Executive Director, Administration & Operations. Both of the Deputy Executive Directors and the Capital Programs Executive report directly to the Executive Director. The executive management of the Harbor Department includes the following individuals:

Mario Cordero–Executive Director. Mr. Cordero was appointed Executive Director of the Harbor Department effective May 2017. Prior to assuming the position of Executive Director of the Harbor Department, he served as chairman of the Federal Maritime Commission; being appointed by President Obama in 2011. Between 2003 and 2011, Mr. Cordero served as a Commissioner on the Board. During his tenure as a Commissioner, he played key roles in developing the Green Port Policy and expanding the Port's community outreach program. Mr. Cordero holds a law degree from the University of Santa Clara and a bachelor's degree in Political Science from California State University

at Long Beach. He has practiced law for more than thirty years, and taught Political Science at Long Beach City College.

Dr. Noel Hacegaba–Deputy Executive Director, Administration and Operations. Dr. Hacegaba was appointed Deputy Executive Director, Administration and Operations in August 2018. He is responsible for managing the day-to-day administrative and operating functions of the Port, including finance, human resources, real estate, business development, operations and security. Dr. Hacegaba previously served as Managing Director of Commercial Operations and Chief Commercial Officer from October 2014 to August 2018. He led a team of 130 employees responsible for operating the Harbor Department’s business development, customer service, port operations and security functions and was the senior executive responsible for developing and implementing the Harbor Department’s commercial strategy. Prior to that, Dr. Hacegaba served as Acting Deputy Executive Director and Chief Operating Officer and was responsible for managing the daily business activities of the Harbor Department. Dr. Hacegaba’s 23 years of public and private sector experience, spanning a variety of industries, includes working for a Fortune 500 company, as a chief of staff for an elected official, a business executive for an international trading company, a research analyst for a policy research group and as a management consultant. He is a graduate of the University of Southern California, with degrees in economics (bachelors and masters), business administration (bachelors) and urban planning (masters). He also earned his doctorate degree in public administration from the University of La Verne. Dr. Hacegaba has also received the professional designations of Certified Port Executive and Port Professional Manager and serves on the boards of various industry-related organizations, including the Intermodal Association of North America, Marine Exchange of Southern California, Harbor Association of Industry and Commerce and the American Association of Port Authorities Professional Development Board.

Richard D. Cameron–Deputy Executive Director, Planning and Environmental Affairs. Mr. Cameron was appointed as the Deputy Executive Director, Planning and Environmental Affairs Bureau of the Harbor Department in August 2018. Prior to this recent appointment, he served as the Managing Director, Planning and Environmental Affairs Bureau of the Harbor Department since January 2014. He oversees the Planning and Environmental Affairs Bureau that includes Environmental Planning, Master Planning and Transportation Planning. Mr. Cameron joined the Harbor Department in 1996 as an Environmental Specialist, was promoted to Manager of Environmental Planning and named Director of the newly-created Division of Environmental Planning in 2007 before being appointed Acting Managing Director in July 2013. Earlier in his career he managed environmental programs for the Port of Los Angeles and served as a consultant for various clients. Mr. Cameron has a bachelor’s degree in urban and regional planning from California State Polytechnic University, Pomona.

Sam Joumblat–Managing Director, Finance and Administration. Mr. Joumblat was appointed Managing Director, Finance and Administration in August 2017, when he rejoined the Harbor Department after being away for three and a half years. Prior to rejoining the Harbor Department, Mr. Joumblat managed the financial and human resources areas for approximately a year and a half at Port Solutions Holdings, a private equity-owned transportation company. Prior to working for Port Solutions Holdings, he spent approximately two years with Metrolink, as the Chief Financial Officer and Treasurer. He also served as interim Chief Executive Officer of Metrolink for a period of four months. Prior to going to work at Metrolink, Mr. Joumblat was the Chief Financial Officer of the Harbor Department for eight years, and prior to that, he was the Deputy City Auditor with the City for three years. Mr. Joumblat holds a master’s degree in business administration, a master’s of science degree in mechanical engineering and a master’s of science degree in industrial engineering, all from the University of Southern California. He also holds a bachelor’s of science degree in mechanical engineering. Mr. Joumblat is a Certified Public Accountant, licensed to practice in the State of California.

Wei Chi-Director of Finance. Mr. Chi was appointed as the Director of the Finance Division in the Finance and Administration Bureau in May 2019, when he rejoined the Harbor Department after being away approximately eleven years. Prior to rejoining the Harbor Department, Mr. Chi worked as Deputy Executive Director, Comptroller for Los Angeles World Airports. In that role, he was part of the executive team that oversaw the implementation of an ambitious \$14 billion overhaul of LAX, including the expansion of the airport's international terminal, the modernization of three domestic terminals and several airfield improvements. In his original employment with the Harbor Department, Mr. Chi was an assistant chief financial officer from 2007 to 2008, where he spearheaded the San Pedro Bay Ports' Clean Trucks Program financial initiatives. Prior to his first stint with the Port of Long Beach, Mr. Chi was a senior executive with BP and ARCO, serving in a variety of roles touching on retail, diversity, business development, marketing, treasury and financial planning. Mr. Chi holds a Master of Business Administration degree in Finance from the Wharton School at the University of Pennsylvania, and a Bachelor of Science degree in Chemical Engineering from Columbia University.

Employee Relations

As of January 1, 2020, the Harbor Department employed approximately 517 people. With the exception of management and unclassified positions, all employees are hired through the City Civil Service system and are represented by the International Association of Machinists and Aerospace Workers ("IAM"), the Long Beach Association of Engineering Employees ("LBAEE"), the Association of Long Beach Employees ("ALBE"), the Long Beach Supervisors Employee Association ("LBSEA"), or the Long Beach Management Association ("LBMA") under the terms of separate Memoranda of Understanding. The Memorandum of Understanding with the IAM became effective October 1, 2016 and expired on September 30, 2019; employees represented by the IAM continue to work under the terms of the expired Memorandum of Understanding until a new agreement becomes effective. The Memorandum of Understanding with the LBAEE became effective October 1, 2015 and expired on September 30, 2019; employees represented by the LBAEE continue to work under the terms of the expired Memorandum of Understanding until a new agreement becomes effective. The Memorandum of Understanding with ALBE expired September 30, 2018; employees represented by ALBE continue to work under the terms of the expired Memorandum of Understanding until a new agreement becomes effective. The Memorandum of Understanding with the LBSEA became effective July 15, 2016 and expired on September 30, 2019; employees represented by the LBSEA continue to work under the terms of the expired Memorandum of Understanding until a new agreement becomes effective. The Memorandum of Understanding with the LBMA became effective retroactive to October 1, 2015 and expired on September 30, 2019; employees represented by the LBMA continue to work under the terms of the expired Memorandum of Understanding until a new agreement becomes effective. The employees of the Harbor Department do not work for the tenants of the Port and therefore any work stoppage related to the negotiations of new Memoranda of Understanding would not affect the collection of Revenues. See "—Stevedoring and Cargo Handling."

Current Port Facilities

General. The Port covers approximately 7,600 acres (or approximately 11.9 square miles), of which approximately 4,400 acres (or approximately 6.9 square miles) are water and includes all harbor facilities of the City. The Port has approximately 31.5 miles of waterfront with 65 deep-water cargo berths. The Port's main channel is 76 feet deep. Container terminals occupy 1,253 acres, auto terminals occupy 144 acres, break-bulk and general cargo terminals occupy 77 acres, dry bulk terminals occupy 84 acres, and petroleum and liquid bulk terminals occupy 44 acres. The Port has six container terminals with 74 gantry cranes, all of which are post-panamax cranes, and all of which are owned by various tenants of the Port. Five container terminals are served by on-dock rail yards. Additional cargo handling facilities include three transit sheds and one warehouse. Transit sheds are of concrete and steel construction. Wharves are constructed of reinforced concrete supported by reinforced concrete pilings or sheet pile bulkhead. Wharf aprons at all transit shed berths average 50 feet in width. Rail tracks serve all major marine facilities. The Harbor Department owns a total of 104 miles of rail trackage. Current Harbor Department plans include enlarging and consolidating several of the container

terminals due to the demand for larger facilities. See “CAPITAL DEVELOPMENT PROGRAM” for information on the expansion of the Port.

The Port is protected by a federally constructed and maintained breakwater over nine miles in length. Within the federal breakwater, access to the Port’s terminals is provided via a network of channels. The entrance to and through the federal breakwater and throughout the main channel has a water depth of 76 feet. Channels extending from the main channel to outer harbor terminals south of the Gerald Desmond Bridge have water depths ranging from 48 to 55 feet. Channels extending from the main channel into inner harbor terminals north of the Gerald Desmond Bridge have water depths ranging from 45 to 52 feet. Water depths at specific terminal berths vary and are addressed in the sections that follow.

Shipments to and from the Port can be received or dispatched by water, rail or truck. Two major rail lines, BNSF and Union Pacific, serve the Port. These rail carriers have connections with the Port’s rail system and offer reciprocal switching arrangements. Rail service to and from the Port increased after the opening in 2002 of the Alameda Corridor. The Alameda Corridor consists of a 20-mile long, multiple-track rail system that links the rail yards and tracks at the Port and the Port of Los Angeles with the Railroads’ transcontinental mainlines originating near downtown Los Angeles, California. The Alameda Corridor consolidated 90 miles of pre-existing rail lines on four separate routes, into an integrated system that is separated from non-rail traffic along Alameda Street. The consolidated rail route eliminated more than 200 at-grade points of conflict between east-west streets and highways and north-south railroad traffic. ACTA was responsible for administering the overall design and construction of the Alameda Corridor (with the exception of specific work that was completed by the Railroads, certain utility owners and local agencies), and ACTA is now responsible for the operation of the Alameda Corridor, including all activities related thereto. See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Other Obligations—ACTA Shortfall Advances and Surety Obligation Payments.”

In addition, the Port is located at the end of Interstate 710 (the “710 Freeway”), which provides access to the interstate highway system. Major highway carriers serve the Port and provide transportation to all parts of the United States. Some of the containers leaving and entering the Port are also handled at the Intermodal Container Transfer Facility (the “ICTF”), a specialized rail yard located four miles from the Port for the transfer of containers between trucks and railcars, and to the switchyards of BNSF and Union Pacific. Truck travel to such switchyards takes approximately 30 to 60 minutes. The ICTF was financed and constructed by Southern Pacific Transportation Company and the Intermodal Container Transfer Facility Joint Powers Authority, a joint powers authority organized by the San Pedro Bay Ports. The ICTF is now operated by Union Pacific.

Container Terminals. Containerized cargo represents the largest source of revenue for the Harbor Department. For the 12 months ended September 30, 2019, containerized cargo accounted for approximately 75.5% (unaudited) of the Harbor Department’s total operating revenue, primarily through the collection of wharfage. See “—Property Agreements” and “—Port Tariffs.” See “CAPITAL DEVELOPMENT PROGRAM—2019-28 Capital Plan” for information on the construction and improvement of the container terminals at the Port. The following is a summary of the major container facilities at the Port.

Pier A. SSA Terminals (Pier A), LLC currently operates the container terminal on Pier A (the “Pier A Container Terminal”). The Pier A Container Terminal is an approximately 159-acre facility that includes three berths, a 3,600-foot-long wharf with a water depth of 50 feet, two gate facilities with a total of 28 truck lanes, a storage area for approximately 24,000 on-ground containers, power outlets for 650 refrigerated containers and an on-site railyard capable of handling two double-stack trains simultaneously. Ten gantry cranes with capacities ranging from 40 tons to 60 tons facilitate cargo movement. The facilities at the Pier A Container Terminal can handle ships carrying up to 9,500 TEUs. See “—Operating Performance—Leading Revenue Producers—Restructuring of Preferential Assignment Agreements for Pier A and T Container Terminals.”

Pier C. SSA Terminals LLC operates a 68-acre container terminal at Pier C (the “Pier C Container Terminal”), which includes two berths, an 1,800 foot-long wharf with a water depth of 42 feet, a storage area

for approximately 4,000 on-ground containers and power outlets for 272 refrigerated containers. Three 40-ton to 60-ton capacity gantry cranes facilitate cargo movement. The facilities at the Pier C Container Terminal can handle ships carrying up to 4,500 TEUs.

Middle Harbor Terminal. The container terminals on Piers D, E and F (collectively, the “Middle Harbor Terminal”) are currently being consolidated into one 311-acre container terminal as part of the “Middle Harbor Terminal Redevelopment Program.” Phases 1 and 2 of the Middle Harbor Terminal Redevelopment Program were completed and became operational in 2015 and 2017, respectively. Phase 3 is underway and is scheduled to be completed in late-2020. Once the overall Middle Harbor Terminal Redevelopment Program is fully complete, the facility will include three berths and a new 4,200-foot long concrete wharf with a water depth of 55 feet that will support 14 modern gantry cranes that will be able to handle ships carrying up to 24,000 TEUs and able to move up to an estimated 3.3 million TEUs annually. See “CAPITAL DEVELOPMENT PROGRAM—2019-28 Capital Plan—Middle Harbor Terminal Redevelopment Program (Piers D, E and F).”

In 2012, the Harbor Department and Orient Overseas Container Line LLC (“OOCL”) entered into a 40-year Preferential Assignment Agreement (the “PAA”) for the Middle Harbor Terminal. Based on the guaranteed annual minimum payments required to be made by OOCL pursuant to the terms of the PAA, the Harbor Department expects the agreement will generate a minimum of approximately \$4.6 billion of operating revenue for the Harbor Department over the 40-year term. The facility is currently operated by OOCL’s subsidiary and sublessee, LBCT LLC (“LBCT”). In 2017, China Overseas Shipping Company (“COSCO”) agreed to purchase the parent company of OOCL. However, in order to receive U.S. government approval for the purchase, COSCO agreed to divest its ownership in LBCT. Any purchaser of COSCO’s interest in LBCT would have been required to assume all of the obligations (including guaranteed annual minimum payments) of OOCL under the PAA subject to approval of the Board. [In lieu of such sale of COSCO’s interest in LBCT, OOCL sold its interest in the PAA to a consortium led by Macquarie Infrastructure Partners on October 24, 2019].

Pier G. International Transportation Service Inc. (“ITS”) operates a container terminal at Pier G (the “Pier G Container Terminal”). The Pier G Container Terminal is an approximately 258-acre facility that includes five berths, 6,379 feet of wharves with water depths ranging from 42 feet to 52 feet, a storage area for approximately 12,800 on-ground containers, power outlets for 1,100 refrigerated containers and an on-dock railyard. The Pier G Container Terminal has 14 gantry cranes, with capacities ranging from 30-tons to 60-tons. The facilities at the Pier G Container Terminal can handle ships carrying up to 14,000 TEUs.

Pier J. Pacific Maritime Services LLC (a joint venture between SSAT, CMA CGM and COSCO) operates from Pier J (the “Pier J Container Terminal”). The Pier J Container Terminal is an approximately 256-acre facility that includes five berths, 5,900 feet of wharves with water depths ranging from 48 feet to 50 feet, a storage area for approximately 12,320 on-ground containers, power outlets for 685 refrigerated containers and an on-dock railyard. The Pier J Container Terminal has 15 gantry cranes, with capacities ranging from 40-tons to 60-tons. The facilities at the Pier J Container Terminal can handle ships carrying up to 18,000 TEUs.

Pier T. Total Terminals International, LLC (a joint venture between Terminal Investment Limited SARL (a subsidiary of Mediterranean Shipping Company) and Hyundai Merchant Marine), operates the Port’s largest container terminal on Pier T (the “Pier T Container Terminal”). The Pier T Container Terminal is an approximately 380-acre facility that includes five berths, a 5,000 foot-long wharf with a water depth of 55 feet, a storage area for approximately 8,300 on-ground containers, power outlets for 1,850 refrigerated containers and an on-dock railyard. The Pier T Container Terminal has sixteen 65-ton gantry cranes. The facilities at the Pier T Container Terminal can handle ships carrying up to 18,000 TEUs. See “—Operating Performance—Leading Revenue Producers—Restructuring of Preferential Assignment Agreements for Pier A and T Container Terminals.”

Dry Bulk. For the 12 months ending September 30, 2019, dry bulk accounted for approximately 8.9% (unaudited) of the Harbor Department’s total operating revenue, primarily through the collection of wharfage. The following is a summary of the major dry bulk facilities at the Port.

Piers G and F. Approximately 7.2 million (unaudited) and 7.6 million metric tons of dry bulk products were exported through the dry bulk terminals on Piers G and F in each of the Fiscal Years 2019 and 2018, respectively. These products include petroleum coke, calcined petroleum coke, coal and sulfur.

The Pier G bulkloader consists of two conveyor system shiploaders operated by Metropolitan Stevedore Company. Dry bulk products are stored temporarily in seven specifically-designed sheds that have a total capacity of 586,000 tons and are moved automatically to dockside, where ships are loaded at 3,900 tons per hour. An eighth storage shed, used to store coal, has a capacity of 150,000 tons of product and includes two rotary plow feeders, with a capacity of 3,000 metric tons per hour, which are connected via conveyor to the Pier G shiploaders. The storage sheds are leased to industrial firms that transport their products to the Port for sale abroad. The entire facility is automated and is capable of high-speed handling of cargo by truck or rail. A rotary railroad car dumper is capable of emptying an entire 100-car train in less than four hours, and bottom dumpers on two different track systems also operate at high capacity.

The Pier F bulkloader consists of an automated conveyor shiploader and a ten acre silo complex operated by Koch Carbon Inc. for the storage and exporting of petroleum coke. The petroleum coke is delivered by rail or truck to the silos, screened, sorted and stored for shipment overseas.

Cement Facilities. There are two cement terminals at the Port. CEMEX Pacific Coast Cement Corporation operates a 50,000 ton capacity bulk cement terminal from Pier D. This terminal has six silos and a pollution free enclosed unloader that can unload directly into the silos. The screw type unloader has a capacity to handle up to 800 tons of cement per hour. A second cement terminal is located on Pier F and utilizes a vacuum type unloader. Operated by MCC Terminal, Inc., this facility can handle 800 tons per hour and, instead of a silo system, utilizes a warehouse (with a capacity of 52,000 tons) to house and transfer product.

Salt. At Pier F, Morton Salt Co. handles bulk solar salt shipped from Baja, California. This salt is used primarily in water softeners and by chemical companies. Conveyor belts, cranes and other equipment are used for unloading and stockpiling the crude salt, which is then graded and bagged or delivered in bulk.

General Cargo. For the 12 months ending September 30, 2019, general cargo accounted for approximately 5.5% (unaudited) of the Harbor Department's total operating revenue, primarily through the collection of wharfage and facilities rentals. The following is a summary of the major general cargo facilities at the Port.

Vehicles. The Toyota Motor North America, Inc. automobile terminal currently occupies a total of 133 acres in the northern area of the Port on Pier B. Vehicles are unloaded at this terminal, cleaned, processed and transported to destinations from Southern California to the Midwest. Approximately 198,000 vehicles (unaudited) were shipped through this terminal during Fiscal Year 2019 as compared to approximately 201,000 vehicles during Fiscal Year 2018. A majority of all Lexus cars imported into the United States pass through this terminal. Toyota Motor Sales also exports vehicles manufactured at its factories in the United States through this terminal. Under the terms of the current lease, Toyota Motor North America, Inc. will relinquish approximately 15 of the total of 133 acres in approximately two (2) years.

Mercedes Benz vehicles arrive and are unloaded at Pier F, Berths 206 and 207. Crescent Terminals, Inc. ("Crescent Terminals") operates Berths 206 and 207. Mercedes received approximately 76,000 vehicles (unaudited) in Fiscal Year 2019 and approximately 75,000 vehicles in Fiscal Year 2018 through these facilities.

Forest Products. Weyerhaeuser Company, a subtenant of Fremont Forest Group Corporation, located at Pier T, transports framing lumber by barge from Coos Bay, Oregon, and Longview and Aberdeen, Washington. At this facility, approximately 191 million board feet of lumber are handled annually.

Metals. SA Recycling, LLC operates a recycled steel and iron ore facility on Pier T that includes an 850 foot wharf with a steel reinforced concrete storage area and two loading cranes. The facility is served by rail and truck and has the capacity to handle 650,000 tons per year.

Break Bulk. CSA Equipment Inc. (a joint venture of SSA and Cooper/T. Smith) occupies Berths 204-205 on Pier F, and mainly handles machinery, equipment and steel products imported from the Far East. The CSA terminal has an 180,000 square foot storage shed on-site. At Berths F206 and F207 Crescent Terminals, in addition to the Mercedes Benz vehicles, handles other products, including finished steel and project cargo. The Crescent terminal has a 190,000 square foot storage shed on-site.

Petroleum/Liquid Bulk. For the 12 months ending September 30, 2019, petroleum/liquid bulk accounted for approximately 5.6% (unaudited) of the Harbor Department’s total operating revenue, primarily through the collection of wharfage per barrel. The following is a summary of the major petroleum/liquid bulk facilities at the Port.

Petroleum Bulk. The Port maintains five bulk oil terminals; two are leased to Tesoro Refining and Marketing Company (“Tesoro”) (on Pier B), a subsidiary of Marathon Petroleum Corp.; one is leased to Carson Cogeneration LLC, a subsidiary of Marathon Petroleum Corp. (on Pier T); one is leased to Petro Diamond Terminal Co. (“Petro Diamond”) (on Pier B); and one is leased to Chemoil Terminals LLC (“Chemoil”) (on Pier F). Each terminal is connected directly to the storage and tank farms of the respective lessee. The Tesoro and Carson Cogeneration terminals handle primarily crude oil, while the Petro Diamond and Chemoil terminals primarily handle finished petroleum products such as gasoline, vessel bunker fuel and jet fuel. The total movement of crude and refined petroleum products during Fiscal Year 2019 was approximately 31.6 million metric tons (unaudited) as compared to approximately 32.2 million metric tons during Fiscal Year 2018.

Liquid Bulk (Chemical and Oils). Liquid bulk is handled by Vopak North America at Pier S, Berth S101. Large heavy duty pumps handle a variety of bulk liquids such as chemicals. Additional tank storage capacity is nearby at locations linked by direct pipeline to the berth facilities.

Marine Commerce and Cargoes

The Harbor Department derives the majority of its revenue from containerized cargo operations. The Port handles “local cargo” that “naturally” moves through Southern California (e.g., cargo consumed within the locally defined region) and “discretionary cargo” (cargo that is not consumed within the locally defined region but moves through Southern California for other reasons (e.g., inland distribution capability)). Currently, approximately 65% of the cargo handled by the Port is discretionary cargo. Most discretionary cargo is moved via rail to inland destinations both within and outside California. The amount of discretionary cargo handled by the Port varies on a month-to-month basis and on a year-to-year basis because ocean carriers and cargo owners can choose between various ports to get their cargoes to inland destinations. See “CERTAIN INVESTMENT CONSIDERATIONS—Port Competition.”

Tonnage. The Harbor Department tracks the volume of marine commerce by Metric Revenue Tons (“MRTs”). Marine commerce passing through the Port by MRTs and TEUs during the last five Fiscal Years is summarized in the following table:

TABLE 4
Harbor Department of the City of Long Beach
Revenue Tonnage and TEU Summary
(Fiscal Year Ended September 30)

	2015	2016	2017	2018	2019 ³
Inbound/Outbound Cargo in Revenue Tonnage (MRTs)¹					
<i>Inbound Cargo</i>					
Foreign	98,464,085	93,927,997	99,467,872	108,811,492	104,012,357
Coastwise/InterCoastal	26,060,757	29,008,568	30,977,282	30,786,620	30,058,159
Total Inbound Cargo	<u>124,524,842</u>	<u>122,936,565</u>	<u>130,445,154</u>	<u>139,598,112</u>	<u>134,070,516</u>
<i>Outbound Cargo</i>					
Foreign	33,592,125	32,737,305	32,922,688	36,217,699	34,418,220
Coastwise/InterCoastal	4,843,410	3,995,516	3,257,747	3,515,854	3,618,210
Bunkers	1,313,215	1,652,476	1,474,261	1,261,238	853,516
Total Outbound Cargo	<u>39,748,750</u>	<u>38,385,297</u>	<u>37,654,696</u>	<u>40,994,791</u>	<u>38,889,946</u>
<i>Total Cargo in Revenue Tonnage</i>	<u>164,273,592</u>	<u>161,321,863</u>	<u>168,099,850</u>	<u>180,592,903</u>	<u>172,960,462</u>
Container Count in TEUs²	7,087,700	6,946,257	7,231,758	8,000,929	7,747,251

¹ A Metric Revenue Ton is equal to either 1,000 kilograms or one cubic meter.

² A TEU represents a twenty-foot equivalent unit.

³ Unaudited.

Source: Harbor Department

Cargo volumes as measured by MRTs and by TEUs decreased by approximately 4.2% and 3.2%, respectively, in Fiscal Year 2019 as compared to Fiscal Year 2018. These decreases are mostly attributable to [_____] [To be discussed]. Also, see “FINANCIAL DATA” for a discussion of the Harbor Department’s Fiscal Year 2019 financial results.

Cargo Summary. For the Fiscal Year ended September 30, 2019, the Port’s principal inbound cargoes were bulk petroleum, metal and metal products, furniture, machinery, motor vehicle parts, electronics, apparel, rocks and minerals, plastics, and food products, and its principal outbound shipments were petroleum coke, wastepaper and wood pulp, food products, animal feed, scrap metal, chemicals, textiles, coal, plants and plant products and bulk petroleum.

The following is a breakdown of cargo handled at the Port during the past three Fiscal Years in tonnage and operating revenues:

TABLE 5
Harbor Department of the City of Long Beach
Cargo Summary
(Fiscal Years Ended September 30, 2017, 2018 and 2019)

Type of Cargo	2017				2018				2019 ³			
	Metric Revenue Tons (000's)	Percent of Total Tons	Operating Revenue (000's) ¹	Percent of Operating Revenue ¹	Metric Revenue Tons (000's)	Percent of Total Tons	Operating Revenue (000's) ¹	Percent of Operating Revenue ¹	Metric Revenue Tons (000's)	Percent of Total Tons	Operating Revenue (000's) ¹	Percent of Operating Revenue ¹
Containerized	127,037	76%	\$291,421	76%	138,914	77%	\$310,885	77%	132,377	77%	\$311,126	75%
Petroleum/Liquid Bulk	32,628	19	18,126	5	32,170	18	16,912	4	31,613	18%	23,182	6%
Dry Bulk	7,170	4	34,719	9	8,136	5	36,657	9	7,740	4%	36,881	9%
General Cargo	1,265	1	20,221	5	1,372	1	19,923	5	1,231	1%	22,608	5%
Total Cargo	<u>168,100</u>	<u>100%</u>	<u>\$364,486</u>	<u>95%</u>	<u>180,593</u>	<u>100%</u>	<u>\$384,376</u>	<u>95%</u>	<u>172,960</u>	<u>100%</u>	<u>\$393,796</u>	<u>96%</u>
Other Operating Revenues			<u>\$16,525</u>	<u>4%</u>			<u>\$17,302</u>	<u>4%</u>			<u>\$18,477</u>	<u>4%</u>
Total			<u>\$381,010</u>	<u>100%²</u>			<u>\$401,678</u>	<u>100%²</u>			<u>\$412,273</u>	<u>100%²</u>

¹ Operating Revenue includes operating revenues from wharfage, dockage, storage/demurrage, rentals, bunkers, special facilities rentals, utilities and other. See "TABLE 7—Harbor Department of the City of Long Beach; Sources of Operating Revenues."

² Numbers may not sum due to rounding.

³ Unaudited.

Source: Harbor Department

Trading Countries. The top five trading countries with the Harbor Department for the past five Fiscal Years, ranked based upon Fiscal Year 2019 results, are summarized in the following table:

TABLE 6
Harbor Department of the City of Long Beach
Five Leading Trading Countries
(Fiscal Year Ended September 30)
(Ranked on Fiscal Year 2019 Results)
(Metric Tons)

Countries	2015	2016	2017	2018	2019³
Inbound					
China	15,887,908	14,137,152	14,919,134	16,090,656	13,121,245
Saudi Arabia	1,232,156	2,439,698	2,841,776	3,259,872	2,651,830
Mexico	1,070,890	1,202,678	1,365,321	2,284,144	2,345,839
Iraq	490,618	841,876	1,716,318	2,597,131	2,312,546
Ecuador	2,827,043	1,951,651	1,825,308	1,534,146	2,153,811
Outbound					
China	6,959,573	7,206,548	6,211,031	5,207,297	3,453,161
Japan	3,415,336	2,805,147	3,246,380	3,696,326	3,203,248
Taiwan	1,358,436	1,286,463	1,120,022	1,315,391	1,978,259
South Korea	1,144,523	996,274	1,268,128	2,061,235	1,864,745
Vietnam	548,811	787,974	406,763	932,101	974,805

³ Unaudited.
Source: Harbor Department

In addition to the trading countries listed above, the other major inbound trading countries include South Korea, Nigeria, Japan, Thailand, and Vietnam, and the other major outbound trading countries/regions include Mexico, Australia, Indonesia, Hong Kong and Thailand.

Property Agreements

The Harbor Department operates the Port as a landlord through various property agreements entered into with the tenants of the Port. The property agreements, which convey the right to use, rent or lease Port assets, include leases, preferential assignment agreements, revocable permits, area assignments and pipeline licenses. Pursuant to the property agreements, the tenants of the Port pay the Harbor Department tariff charges (including, but not limited to, wharfage, dockage, storage and demurrage) and other fees, including crane and land rentals. See “—Port Tariffs” below.

Property agreements for industrial and commercial use constitute one of the Harbor Department’s largest and most stable sources of income. These agreements include preferential assignments, leases, revocable permits and area assignments. Over the last five Fiscal Years, property agreements covering waterfront property and facilities have generated in excess of 95% (unaudited) of the Harbor Department’s operating revenues. Under these agreements, the Board assigns or leases property and facilities to terminal operators for terms of up to 40 years. The property agreements with the Port’s top ten revenue producers have expiration dates ranging from 2022 to 2051, with eight of these agreements (including most of the agreements for the major container terminals) expiring between 2022 and 2034.

Most of the property agreements entered into by the cargo terminal operators are in the form of preferential assignment agreements. Under the preferential assignment agreements, the terminal operators primarily pay the Harbor Department tariff charges, mainly wharfage (the charge assessed when cargo crosses

the wharf) and dockage (the charge assessed for docking a vessel at a berth), for the use of the Port facilities. Most of the preferential assignment agreements with the cargo terminal operators contain a guaranteed annual minimum payment. For Fiscal Year 2019, the preferential assignment agreements with the Port's major container terminal operators contained guaranteed annual minimum payments of approximately \$282 million (unaudited). The preferential assignment agreements require that the compensation payable to the Harbor Department be renegotiated at various intervals ranging from two to five years, and if the parties cannot agree, compensation is to be set through arbitration.

Under most of the current property agreements, the terminal operators are responsible for the operation and maintenance of the property and facilities, but the Harbor Department retains responsibility for maintaining the structural integrity of the piers, wharves, bulkheads, retaining walls and fender systems. Under the property agreements, Port tenants are required to comply with all applicable environmental standards set by federal, state or local laws. Port tenants are liable for all costs, expenses, losses, damages, claims, cleanup costs and penalties arising from such tenant's failure to comply with applicable environmental standards. Additionally, Port tenants are required to carry commercial general liability insurance, including bodily injury and property damage liability on the leased premises and to name the City, the Board and the officers and employees of the Harbor Department as additional insureds. The property agreements also provide that if the property or facilities covered thereby are damaged by acts of God such as fire, flood or earthquake, or if work stoppages or strikes prevent operation of the property or facilities, compensation payable to the Harbor Department will be reduced in proportion to the interference with operations. See "—Stevedoring and Cargo Handling" below. See also "CERTAIN INVESTMENT CONSIDERATIONS—Security at the Port" and "—Seismic Risks."

During the last five Fiscal Years ended September 30, 2019, revenues from non-waterfront properties and miscellaneous sources have accounted for approximately 4.0% (unaudited) of the Harbor Department's operating revenues. These agreements generally provide for flat rentals or require payment of a percentage of gross revenues, subject to a fixed minimum rental.

Port Tariffs

The Board sets tariff charges for wharfage, dockage, pilotage, land usage, storage and demurrage applicable to all ships and cargo at municipal berths and wharves or otherwise using City owned property in the Harbor District. The current tariffs are published in the Port of Long Beach Tariff No. 4 (the "Port Tariff"). Under the terms of the various property agreements, the terminal operators, as permittees or lessees are responsible for collecting tariff charges and for remitting to the Harbor Department, all or any portion of such tariff charges required to be paid to the Harbor Department. The Harbor Department charges wharfage on a per container load of freight basis for container cargoes and a commodity rate per ton of cargo basis for bulk and break-bulk cargoes. Dockage is also charged on a per vessel, per day basis. See "—Property Agreements" above.

The Harbor Department and all other California public ports control and determine their own individual tariff structures. However, the ports cooperate in setting tariff rates through membership in the California Association of Port Authorities ("CAPA"). One of CAPA's goals is to establish and maintain reasonable and, as far as practicable, uniform terminal rates, charges, classifications, rules and regulations for the handling and movement of domestic and foreign waterborne cargo. These tariff provisions cover assignment of marine terminal facilities, as well as rates and provisions for vessel dockage, wharfage, wharf storage, wharf demurrage and other miscellaneous terminal charges necessary for the orderly movement of cargo. The goal is to permit California ports to obtain an adequate return on investment in order to facilitate the necessary maintenance, expansion and improvement of marine facilities. CAPA enjoys an exemption from federal antitrust laws which permits this cooperative rate setting. See "CERTAIN INVESTMENT CONSIDERATIONS—Factors Affecting Demand for Port Facilities."

The Harbor Department may increase tariff charges without amending the property agreements or receiving the consent of the tenants of the Port. See “CERTAIN INVESTMENT CONSIDERATIONS—Factors Affecting Demand for Port Facilities” and “—Port Competition.”

Operating Performance

Sources of Operating Revenues. As discussed under “—Property Agreements” and “—Port Tariffs” above, the Harbor Department derives income from tariffs assessed on shipping activity (primarily wharfage and dockage) and from leases, rentals and utility services. The following table summarizes the sources of the Harbor Department’s operating revenues for the past five Fiscal Years.

TABLE 7
Harbor Department of the City of Long Beach
Sources of Operating Revenues
(Fiscal Year Ended September 30)
(000’s)

	2015	2016	2017	2018	2019 ^{1 2}
Operating Revenues					
Berths & Special Facilities					
Wharfage	\$312,074	\$322,522	\$342,022	\$358,675	\$366,855
Dockage	10,773	8,089	7,134	7,219	6,460
Bunkers	1,048	1,412	1,269	1,054	747
Special Facilities Rentals	16,247	15,612	13,289	16,418	19,013
Crane Rentals ³	2,372	–	–	–	–
Other	620	536	771	1,010	721
<i>Total Berths & Special Facilities</i>	<u>\$343,134</u>	<u>\$348,171</u>	<u>\$364,486</u>	<u>\$384,376</u>	<u>\$393,796</u>
Rental Properties	\$ 9,881	\$ 9,958	\$13,732	\$14,279	\$15,668
Utilities/Miscellaneous	2,435	2,531	2,793	3,023	2,809
Total Operating Revenues	<u>\$355,450</u>	<u>\$360,660</u>	<u>\$381,010</u>	<u>\$401,678</u>	<u>\$412,273</u>

¹ See “FINANCIAL DATA” for a discussion of the Harbor Department’s Fiscal Year 2019 financial results.

² Unaudited.

³ The Harbor Department sold all of the cranes that it previously owned and leased to certain of the tenants at the Port. As a result of such sale, the Harbor Department no longer collects any crane rentals.

Source: Harbor Department

The Harbor Department has various incentive programs in place which are a direct offset to operating revenues. A new program to reward ocean carriers for additional loaded containers moved through the Port during Fiscal Year 2020 commenced in October 2019 (the “Ocean Common Carrier Incentive Program”). Under the Ocean Common Carrier Incentive Program, ocean carriers are eligible to receive a \$10 cash incentive per TEU for each incremental loaded container moved through the Port during Fiscal Year 2020 in excess of such ocean carrier’s adjusted volume for Fiscal Year 2019 up to a maximum of \$2 million annually. The loaded TEU volume increase percentage for an ocean carrier for Fiscal Year 2020 will be decreased by the trans-Pacific market percentage growth rate during Fiscal Year 2020. The Ocean Common Carrier Incentive Program would result in lump sum payments to the qualifying ocean carriers, the corresponding increase in shipping activity should also result in increased operating revenues from such increase in shipping activity. Under the Green Flag Incentive Program, ocean vessels that observe a 12-knot speed limit 40 nautical miles offshore qualify for a dockage rate reduction of 25%. See “THE PORT OF LONG BEACH – Environmental Compliance - Air Pollution Reduction Programs (Clean Air Action Plan) - Green Flag Incentive Program.” The Green Ship Incentive Program awards \$2,500 per ship call for vessels meeting the 2011 Tier 2 standards and \$6,000 per ship

call for vessels meeting the 2016 Tier 3 standards. See THE PORT OF LONG BEACH – Environmental Compliance - Air Pollution Reduction Programs (Clean Air Action Plan) - Green Ship Incentive Program.”

Leading Revenue Producers

The following companies represent the Harbor Department’s twenty largest customers in terms of revenues, listed alphabetically. These customers accounted for approximately 95% (unaudited) of the Harbor Department’s operating revenue in Fiscal Year 2019. The largest single customer accounted for approximately 23% (unaudited) of the Harbor Department’s operating revenues in Fiscal Year 2019.

TABLE 8
Harbor Department of the City of Long Beach
Leading Revenue Producers
Fiscal Year 2019¹

Carson Cogeneration Company	Pacific Maritime Services (Pacific Container Terminal)
Chemoil Corporation	Pacific Crane Maintenance Company, LLC
Crescent Terminals, Inc.	S7 Sea Launch Limited (Formerly Energia Logistics Ltd.)
CSA Equipment	SA Recycling, LLC
International Transportation Service, Inc.	SSA Terminals, LLC
Jacobsen Pilot Service, Inc.	SSA Terminals (Pier A), LLC
Koch Carbon, Inc.	Tesoro Refining & Marketing
Metropolitan Stevedore Company	Tesoro Logistics LP
OOCL, LLC – LBCT LLC	Total Terminals International, LLC
Oxbow Energy Solutions, LLC	Toyota Motor Sales USA, Inc.

¹ Unaudited.
Source: Harbor Department

Stevedoring and Cargo Handling

Arranging for stevedoring and cargo handling services is the responsibility of each marine terminal operator. Stevedoring and cargo handling at the Port are provided pursuant to a contract between the Pacific Maritime Association (the “Association”) and the International Longshore and Warehouse Union (“ILWU”). The contract covers approximately 20,000 dockworkers on the West Coast, including approximately 13,000 dockworkers at the San Pedro Bay Ports. The Association represents most of the ocean carriers, marine terminal operators and stevedore companies on the Pacific Coast. The major providers of stevedoring and terminal services include Cooper/T. Smith Stevedoring, Metropolitan Stevedore Company (doing business as Metro Ports), Stevedoring Services of America, and Ports America Inc., along with ocean carrier-owned terminal operating companies such as OOCL, LLC - LBCT and Total Terminals International, LLC.

The current contract between the Association and the ILWU was entered into on May 21, 2015 and was ratified by the ILWU membership on May 22, 2015, retroactive to July 1, 2014. The current contract originally had an expiration date of June 30, 2019, but a three-year extension was negotiated by the Association and the ILWU and ratified by the ILWU membership on August 7, 2017. The current contract now has an expiration date of July 1, 2022.

The previous contract between the Association and ILWU expired on June 30, 2014. The Association and the ILWU began negotiating a new contract in May 2014, but did not agree on a new contract until February 2015. The protracted negotiations had a compounding effect on congestion issues that slowed container cargo movements through the Port between September 2014 and February 2015. The Harbor Department’s revenues and container volumes at the Port were temporarily impacted during Fiscal Year 2015

as a result of the slowdown and other congestion factors, but full-Fiscal Year revenues were not materially affected and container volumes recovered and were slightly higher than the prior Fiscal Year (4%).

In December 2012, a strike by the members of the Office Clerical Unit (“OCU”) of the ILWU resulted in an eight-day closure affecting only three container terminals in the San Pedro Bay that used OCU workers. The members of the OCU are employed by some of the shipping lines and terminal operators that operate at the San Pedro Bay Ports. The OCU and the shipping lines and terminal operators, subsequently agreed to new contracts and the closed terminals were reopened. There was no financial impact to the Harbor Department as a result of the OCU strike.

Prior to the OCU related work stoppage in December 2012, there had been no prolonged work stoppage since October 2002. In October 2002, after the Association and the ILWU failed to agree upon a new contract, the shipping lines and terminal operators instituted a lock-out of ILWU workers, thereby shutting down all West Coast ports, including the Port, for 10 days. Work resumed when the President of the United States ordered the ports to re-open pursuant to the Taft-Hartley Act. Prior to the 2002 lock-out, there had not been a prolonged work stoppage since 1971. Other than the work stoppages in 1971 and 2002, there has generally been a history of excellent working relationships between the ILWU and the employers represented by the Association. Prolonged work slowdowns or stoppages, particularly if combined with excessive congestion, could adversely affect revenues of the Harbor Department. The employees of the Harbor Department do not work for the tenants of the Port or the stevedoring companies.

Environmental Compliance

General. The Harbor Department is required to comply with the provisions of a number of federal and state laws designed to protect or enhance the environment. The two basic laws are the Federal National Environmental Policy Act (“NEPA”) and the State of California Environmental Quality Act (“CEQA”). Other federal environmental laws applicable to the Port include the Resources Conservation and Recovery Act, which governs the cleanup, treatment and disposal of hazardous waste; the Clean Air Act, which governs the release of air pollutants; the Toxic Substances Control Act, which governs the handling and disposition of polychlorinated biphenyls (PCBs) and other toxic substances; the Marine Protection, Research and Sanctuary Act of 1972, which governs the ocean dumping of dredged materials; the Rivers and Harbors Act, which governs navigable waterways; and the Clean Water Act, which governs discharges to surface waters. Enforcement agencies include the U.S. and California Environmental Protection Agencies and the U.S. Army Corps of Engineers, which rely on consultation and advice from various federal resource agencies.

The Harbor Department also is required to conform to provisions of a number of other State environmental laws, including the Hazardous Waste Control Act, which governs hazardous waste treatment and disposal, and the Porter-Cologne Act, which governs surface and ground water quality. State enforcement agencies include the Department of Toxic Substances Control, the State Water Resources Control Board and the local Regional Water Quality Control Board. The California Air Resources Board (“CARB”) and the regional Air Quality Management District administer the federal Clean Air Act.

Additional environmental laws and regulations may be enacted and adopted, and/or court cases decided, in the future that could be applicable to the Harbor Department and the Port. See “Air Pollution Reduction Programs (Clean Air Action Plan)” below. The Harbor Department is not able to predict what those laws, regulations and/or cases may provide or the costs to the Harbor Department to comply with such laws and regulations. Any additional environmental laws and regulations could significantly delay or limit the Harbor Department’s plans to construct and develop new revenue generating facilities at the Port. See “CAPITAL DEVELOPMENT PROGRAM.”

In conforming to these laws and their implementing regulations, the Harbor Department has instituted a number of compliance programs and procedures. Some of these are ongoing, including the sampling and analysis of harbor sediments to comply with dredging permit requirements; monitoring of water quality at

stormwater outfalls; and oversight of the Harbor Department and tenant housekeeping practices. Other compliance activities are carried out on an intermittent basis as necessary. These include disposal of contaminated soil excavated from construction sites, surveys of Harbor Department-owned buildings for asbestos, and associated remedial actions, other hazardous substances site cleanup related to spills, release and illegal disposal of materials and substances on Port property by third parties, and monitoring and reporting pursuant to construction permits related to air and water quality.

The Harbor Department's agreements with its tenants require the tenants to take the responsibility for financing the cost associated with cleaning up spills of fuels, oils and other hazardous substances.

Hazardous Materials/Waste Management. The Harbor Department administers a number of hazardous materials and waste management programs designed to ensure compliance with applicable federal, State, and local regulations. These programs include surveys to identify the presence of hazardous materials, including asbestos and lead-based paint; assessment and remediation investigations for the cleanup of soil and groundwater contaminated by the long history of industrial development within the Harbor District; and hazardous material spill response. The Harbor Department has adopted a number of permit-required contingency plans regarding potential spills of fuel, oil and other hazardous substances, associated with Port operations. The Harbor Department's agreements with its tenants require the tenants to pay costs associated with cleaning up spills of fuels, oils and other hazardous substances, associated with their operations at terminals.

CEQA Document Preparation Process.

General. As the "Lead Agency" under CEQA, the Harbor Department completes CEQA determinations and documentation for all CEQA-regulated projects within the Harbor District. The Harbor Department's CEQA process includes, among other elements, (a) the establishment of a documents preparation protocol for the project description and all key analyses and (b) the establishment of a quality assurance review team, consisting of outside experts in various specialties, that will monitor the process of preparing environmental impact reports ("EIR") and environmental impact statements ("EIS") prepared by federal agencies under the National Environmental Policy Act ("NEPA") and make technical, regulatory and other recommendations. The Harbor Department's CEQA process helps ensure compliance with CEQA requirements and reduce the potential for disagreement and challenges from federal, State and local agencies and environmental groups.

Current CEQA Projects. The Harbor Department and the U.S. Army Corps of Engineers have prepared a joint draft Integrated Feasibility Report and EIS/EIR for the Port of Long Beach Deep Draft Navigation Feasibility Study and Channel Deepening Project. The U.S. Army Corps of Engineers is the lead agency for environmental review under NEPA, while the Harbor Department is the lead agency under CEQA. The Integrated Feasibility Report and EIR/EIS identifies and evaluates proposed improvements to existing navigation channels within the Port of Long Beach to improve conditions for current and future container and liquid bulk vessel operations and safety. The draft EIS/EIR will be released for public review in the fall of 2019.

The Harbor Department is currently in the process of updating the Port Master Plan in accordance with the California Coastal Act, which includes a corresponding programmatic EIR ("PEIR"). The draft Port Master Plan Update was released for public review in July 2019 and is expected to be completed in early 2020.

Past CEQA Projects. On May 13, 2009, the Middle Harbor Terminal Redevelopment Program EIR/EIS was certified by the Board. On August 9, 2010, the Board certified the Final EIR for the Gerald Desmond Bridge Replacement Project (the "Gerald Desmond Bridge EIR"), and on September 23, 2010, Caltrans issued a Finding of No Significant Impacts with respect to the Gerald Desmond Bridge Replacement Project (the "Gerald Desmond Bridge FONSI"). Subsequent to August 9, 2010, the Board approved certain addenda to the Gerald Desmond Bridge EIR, which were reviewed by Caltrans and, in each case, Caltrans determined that the Gerald Desmond Bridge FONSI remained valid. In October 2013, an EIR/EIS with respect to development of Pier S for navigational improvements to the Back Channel and the Cerritos Channel and a shore realignment at Pier S was approved by the Board.

On December 15, 2016, the Harbor Department released a Draft EIR and an Application Summary Report for the Pier B On-Dock Rail Support Facility Project for public review. The proposed project would provide for additional railcar storage and staging capacity, including additional rail tracks for locomotive fueling, railcar repair and to accommodate assembly of cargo trains up to 10,000 feet long. The public comment period for the Draft EIR closed on March 13, 2017. The Board certified the final EIR for the Pier B On-Dock Rail Support Facility Project on January 22, 2018.

Air Pollution Reduction Programs (Clean Air Action Plan). In 2006, the Harbor Department, together with the Port of Los Angeles, developed the San Pedro Bay Ports Clean Air Action Plan (the “Ports Clean Air Action Plan”) with input from the EPA, CARB, and the South Coast Air Quality Management District (“SCAQMD”). The Ports Clean Air Action Plan was updated and reauthorized in 2010 and again in 2017. The Ports Clean Air Action Plan is the Harbor Department’s long- term comprehensive plan to address air pollution emissions from Port-related sources. The Ports Clean Air Action Plan addresses the five primary categories of Port-related emission sources (ships, trucks, trains, cargo handling equipment and harbor craft), and outlines specific, detailed strategies to reduce emissions from each category. Through implementation of the Ports Clean Air Action Plan, since 2005, there has been an 87% reduction in diesel particulate matter, a 97% reduction in sulfur oxides and a 56% reduction in nitrogen oxides emissions from Port-related sources. The 2017 update to the Ports Clean Air Action Plan includes several updates, including goals of achieving zero emission cargo handling equipment by 2030 and zero emission drayage truck fleets by 2035. The Ports Clean Air Action Plan has and will require a significant investment by the Harbor Department, the Port of Los Angeles and private sector businesses and will expedite the introduction of new and innovative methods of reducing emissions prior to any federal or State requirements being imposed on the San Pedro Bay Ports. See “2016 AQMP Indirect Source Rule” below.

Pursuant to the Ports Clean Air Action Plan, the Harbor Department has undertaken several programs to lower air pollution levels at the Port, including, but not limited to: (a) an incentive-based program that encourages vessels entering the San Pedro Bay Ports to lower their speeds (faster speeds produce higher emissions) (the “Green Flag Incentive Program”); (b) an incentive-based program to encourage vessel operators to deploy their lowest pollution-emitting ships to San Pedro Bay Ports (the “Green Ship Incentive Program”); (c) accelerated replacement of cargo handling equipment with equipment that produces near-zero or zero emissions; (d) use of shore-side electrical power for ships calling at the Port (also known as “cold ironing”); (e) a Technology Advancement Program which seeks to accelerate the verification or commercial availability of new, clean technologies, through evaluation and demonstration in port operations; (f) replacement of the entire fleet of 16 switcher locomotives operated by Pacific Harbor Line with less polluting locomotives and the purchase of six generator set locomotives which meet the cleanest engine standards; and (g) the Clean Trucks Program, which requires progressively cleaner engine standards for trucks operating at the Port with a goal of having a zero emission drayage truck fleet by 2035 (see “Clean Trucks Program” below for additional information).

Green Flag Incentive Program. The Green Flag Incentive Program was approved by the Board in 2005 to boost compliance with the voluntary vessel speed reduction program, which was then around 60%. The Green Flag Incentive Program provides financial incentives and recognition to the Port’s vessel operators who consistently participate in a voluntary speed-reduction program designed to reduce air pollution.

Under the original Green Flag Incentive Program, ocean vessels that observed a 12-knot speed limit within 20 nautical miles of the Port during an entire year of voyages to and from the Port were awarded a Green Flag environmental achievement award to recognize their contributions to improved air quality. The ocean carriers who operated the individual ships qualified for a dockage rate reduction of 15% during the following 12 months if 90% of their vessels complied with the 12-knot speed limit for the previous year. In 2009, the program was expanded to 40 nautical miles offshore. Ships observing the speed limit 40 nautical miles offshore qualify for a dockage rate reduction of 25%.

For Fiscal Year 2019, the Green Flag Incentive Program had participation rates of 97.7% and 92.8% for 20 nautical miles and 40 nautical miles, respectively. In 2016 (the latest information available), air pollution reductions included avoided emissions of approximately 1,224 tons of smog-forming nitrogen oxides, approximately 25 tons of diesel particulate matter and approximately 53,135 tons of carbon dioxide, a greenhouse gas pollutant. In Fiscal Year 2019, the Harbor Department provided discounts to qualified participants in the Green Flag Incentive Program of approximately \$3.1 million. The Harbor Department estimates that it will provide approximately \$3.1 million of discounts to qualified participants in the Green Flag Incentive Program in Fiscal Year 2020.

Green Ship Incentive Program. The Green Ship Incentive Program is a voluntary clean-air initiative targeting the reduction of smog-causing nitrogen oxides (NOx). It rewards qualifying vessel operators for deploying today's greenest ships to the Port and accelerating the use of tomorrow's greenest ships. Vessels with main engines meeting 2011 Tier 2 standards established by the International Maritime Organization will be eligible for an incentive of \$2,500 per ship call. For vessels meeting the 2016 Tier 3 standards, the incentive will increase to \$6,000 per ship call. Tier 2 engines reduce NOx emissions by 15%, and Tier 3 engines reduce NOx emissions by 80%. In Fiscal Year 2019, approximately 54.9% (unaudited) of the vessel calls at the Port were eligible for the Green Ship Incentive Program and the Harbor Department provided approximately \$1.2 million (unaudited) in incentive payments.

Shore-Side Electrical Power. Exhaust emissions from auxiliary engines operated by vessels while at berth represent a significant source of air pollution at the Port. A docked cargo ship operates auxiliary engines to power onboard operations which emits several types of air contaminants. The Harbor Department has installed shore-side electric power at all of the container terminals at the Port, so that vessels can plug-in and use electric power, rather than using internal combustion power (diesel), to power ships while at berth. When shore-side electricity is provided to the vessel, the auxiliary engines can be turned off. Shore-side electrical power will significantly reduce diesel emissions, the major source of air pollution, from large ships while at berth. In November 2007, the Port's first shore-side electrical powered container berth was commissioned at the International Transportation Service terminal on Pier G. In June 2009, the world's first shore-side electrical powered tanker berth was commissioned at the BP terminal on Pier T. In addition, bulk vessels have been using shore-side electrical power at the Mitsubishi Cement terminal on Pier F since 2007. All remaining container terminal berths were equipped with shore-side electrical power by the end of Fiscal Year 2016. The Harbor Department incurred approximately \$136.3 million of costs in connection with equipping facilities at the Port with shore-side electrical power.

In December 2007, the CARB approved the "Airborne Toxic Control Measure for Auxiliary Diesel Engines Operated on Ocean-Going Vessels At-Berth in a California Port" regulation, commonly referred to as the "At-Berth Regulation." The purpose of the At-Berth Regulation is to reduce emissions from diesel auxiliary engines on container ships, passenger ships, and refrigerated-cargo ships while berthing at a California Port. The At-Berth Regulation defines a California Port as any of the Ports of Los Angeles, Long Beach, Oakland, San Diego, San Francisco, and Hueneme. The At-Berth Regulation provides vessel fleet operators visiting these ports two options to reduce at-berth emissions from auxiliary engines: (1) turn off auxiliary engines and connect the vessel to some other source of power, most likely shore-side electrical power; or (2) use alternative control technique(s) that achieve equivalent emission reductions. Starting in 2014, at least 50% of a fleet's visits to the Port were required to use one of these two options to reduce emissions. The percentage of fleet visits required to use one of these two options increased to 70% in 2017, and will increase to 80% starting in 2020. The Harbor Department expects most vessels using Port facilities to use shore-side electrical power in order to comply with the At-Berth Regulation.

CARB is currently considering updates to the At-Berth Regulation, which may include increased compliance requirements for the regulated fleet, and phased-in requirements for use of shorepower or alternatives for auto carriers and tankers. The timing of final adoption of the amendments to the regulation is anticipated in 2020.

Clean Trucks Program. Another program the Harbor Department has undertaken in an effort to lower air pollution levels at the Port is the Clean Trucks Program (the “CTP”). The CTP instituted a series of progressive bans adopted by the San Pedro Bay Ports designed to gradually restrict older, more polluting trucks from operating at the marine terminals at the San Pedro Bay Ports until eventually all trucks operating at San Pedro Bay Port terminals would be required to meet the EPA’s 2007 On-Road Heavy Duty emissions standards. The CTP targets emissions from heavy duty trucks that move cargo in and out of the marine terminals at the Port. The CTP successfully reduced air emissions and health risks by modernizing the Port’s trucking fleet. As a result of continued modernization of the truck fleet, currently about half have been upgraded to meet the even cleaner EPA 2010 on-road heavy duty emissions standards. In the 2017 update to the Ports Clean Air Action Plan, the Harbor Department set goals to advancing the CTP to phase out older trucks and transition to near-zero emissions in the near-term and zero-emission trucks by 2035. The first phase of the Clean Trucks Program update requires any new truck registered in the Port Drayage Register after October 1, 2018, to be model year 2014 or newer. The Clean Air Action Plan calls for imposing a Clean Truck Fund Rate, and a rate study is currently underway. The Harbor Department has no remaining financial obligations under the original CTP, however the Harbor Department may in the future have additional responsibilities with respect to reducing truck emissions under the 2017 update to the Ports Clean Air Action Plan.

2016 AQMP Indirect Source Rule. In 2017, SCAQMD approved its 2016 Air Quality Management Plan (the “2016 AQMP”). The 2016 AQMP contains an “Indirect Source Rule” or “backstop rule” (also known as MOB-01) that would require the San Pedro Bay Ports to develop a strategy to reduce air emissions at the respective ports to levels still to be developed in accordance with the 2016 AQMP. The emission reduction levels could be more strict than what is already set forth in the Ports Clean Air Action Plan. In March 2017, CARB adopted the 2016 AQMP as part of its amendments to the State Implementation Plan pursuant to the Clean Air Act. The amended State Implementation Plan has been submitted to the EPA for review and approval, which review and approval could take up to 18 months. In May 2018, the SCAQMD’s Board decided to postpone any action on development of an Indirect Source Rule for the San Pedro Bay Ports, to allow time for 2017 updates to the Ports Clean Air Action Plan to be implemented. However, SCAQMD has proposed to enter into a Memorandum of Understanding (the “MOU”) with the San Pedro Bay Ports related to implementation of the 2017 updates to the Ports Clean Air Action Plan and may choose to proceed with development of an Indirect Source Rule at a later date if it determines that adequate progress has not been made related to emission reductions for the region. Negotiations with AQMD on the MOU are ongoing; the final MOU is expected to go to each Board of the San Pedro Bay Ports in early 2020, one month prior to AQMD Board consideration.

The Harbor Department does not believe SCAQMD or CARB have the authority to impose rules or regulations on the San Pedro Bay Ports that would require the Ports to regulate emissions from shipping companies, terminal operators, the railroads or the trucking companies because (i) the San Pedro Bay Ports are not regulators and do not have regulatory authority, and (ii) those industries are regulated under international treaties and federal and state laws and thus enjoy various levels of preemption. As of the date of this Official Statement, the Harbor Department cannot predict what final rules and regulations may result from the 2016 AQMP and the State Implementation Plan, the results of any legal challenges to such rules and regulations, or the costs of such rules and regulations, if enforceable against the San Pedro Bay Ports and their respective tenants.

Water Quality Improvement. The Harbor Department faces water quality issues that include not only stormwater runoff from Port lands, but also the on-water activities of industrial harbors, legacy sediment contamination, and inputs from intensely developed urban watersheds upstream. Recognizing the advantages of addressing these issues on a port-wide basis, in 2009, the Harbor Department and the Port of Los Angeles worked cooperatively with regulatory agencies and the public to develop a Water Resources Action Plan (the “WRAP”). The WRAP is a joint plan for managing water and sediment quality at the San Pedro Bay Ports. The WRAP identifies the key issues in the port complex; identifies control measures to address those issues; and assembles existing, as well as proposed, water and sediment programs into those measures. The WRAP describes the implementation tools available to the San Pedro Bay Ports (lease and tariff provisions, incentives, and port-sponsored initiatives) and establishes a schedule for implementing the control measures. A key aspect

of the WRAP is its dynamic nature: the WRAP is revisited periodically to add detail and to add or modify measures where appropriate. The control measures described in the WRAP consist largely of plan formulation and the expansion and reorganization of activities that the San Pedro Bay Ports are already engaged in. Accordingly, the cost of implementing the control measures will consist predominately of staff and consultant time. Several of the control measures set forth in the WRAP will likely involve capital costs at the implementation phase. Costs of the WRAP will be paid with Harbor Department revenues, federal, state and local grant funding and other sources of funds. The Board does not expect these costs to be material to the Harbor Department.

In March 2012, the Los Angeles and Long Beach Harbors Toxic and Metals Total Maximum Daily Load (the “TMDL”) was adopted by the State of California Water Resources Control Board. The Harbor Department has begun to implement the requirements of the TMDL, mainly by implementing the programs identified in the WRAP. Additionally the Harbor Department has established a technical working group with the Port of Los Angeles, the Los Angeles Regional Water Quality Control Board and the State Water Resources Control Board, to conduct the special studies and analysis required to make sound environmental management decisions and support modifications to the TMDL, which is scheduled to be reconsidered in 2020. The Harbor Department expects to spend approximately \$150,000 in 2020 for activities associated with the TMDL reconsideration.

Additionally, the City developed a Watershed Management Program (the “WMP”) in coordination with the Harbor Department to address the Harbor watershed as well as other near shore watersheds in the City. The WMP is required to comply with the City’s Municipal Stormwater National Pollutant Discharge Elimination System Permit. The WMP is intended to ensure that the Port and the City will achieve all established water quality standards.

Port Energy Planning. As described above, the Harbor Department’s aggressive air-emission reduction programs have resulted in significant improvements in air quality since the Green Port Policy was adopted in 2005. As the Harbor Department moves toward a zero-emission goal, its reliance on electrical power has dramatically increased. On-terminal electricity usage is predicted to quadruple by 2030, compared with a 2005 base year. At the same time, the electrical grid which is maintained by a local utility company is aging and the region experiences power outages. The Harbor Department is currently developing an energy program that seeks to provide energy reliability, resiliency and economic competitiveness to its own operations and those of its tenants.

This long term strategy is designed to assist the region in attracting new businesses, promoting job growth, advanced technologies and customer retention, and to provide reliable assets that can be used in the event of natural or man-made disasters. The Harbor Department expects to spend approximately \$5 million in calendar year 2020, to evaluate the feasibility of various energy strategies, as well as to support appropriate emerging energy technologies. The Harbor Department anticipates that these costs will be partially financed with various grants.

CAPITAL DEVELOPMENT PROGRAM

Master Plan; Long-Term Land Use Study

Master Plan. On October 17, 1978 the California Coastal Commission (the “CCC”) certified the Port Master Plan as being in conformance with the policies of Chapters 8 and 3 of the California Coastal Act. The Port Master Plan has been amended on numerous occasions since 1978. All amendments to the Port Master Plan that required the approval of CCC were approved by CCC. The purpose of the Port Master Plan is to provide the Harbor Department with a planning tool to guide future Port development and to ensure that projects and developments in the Harbor District are consistent with the requirements of the California Coastal Act. The Port Master Plan identifies proposed uses of land and water areas within the Harbor District and establishes a flexible framework allowing for development of the Port and is updated periodically.

The Harbor Department is currently in the process of reviewing and updating the Port Master Plan. The update process is guided by the California Coastal Act and involves evaluation of land use and water use designations, reconfiguration of planning districts, and identification of anticipated projects. In addition, the update will incorporate previously certified Port Master Plan amendments and update the overall goals and policies for long-range development. The update to the Port Master Plan is needed to consider changes in the global shipping industry, technological advances, and important factors such as climate change and energy resources consistent with Harbor Department's "Green Port Policy" objectives. The update also will revise the guidelines for public access to the waterfront by reviewing the vision for development of future recreation areas and facilities. The Harbor Department anticipates certification of the update to the Port Master Plan by CCC in 2020.

In June 2017, the Harbor Department selected Leidos, Inc. to provide assistance with updating the Port Master Plan, evaluating the environmental impacts of proposed development and land uses and Port Master Plan approval by the Board and the CCC.

2019-28 Capital Plan

In addition to the Port Master Plan, the Harbor Department maintains a 10-year capital plan which sets forth the specific projects the Harbor Department expects to develop and construct over the next ten years. The 2019-28 Capital Plan is the Harbor Department's current 10-year capital plan. The 2019-28 Capital Plan includes, but is not limited to, the following capital projects and improvements: the Gerald Desmond Bridge Replacement Project, the expansion and modernization of the shipping terminals on Piers D, E, F and G, the expansion of on-dock rail facilities and the supporting rail network serving the terminals, the construction of two fireboat stations, the installation of various security improvements, and various other infrastructure projects at the Port (including street, storm drain, sewer and water systems projects). As of the date of this Official Statement, the 2019-28 Capital Plan has an aggregate estimated cost of approximately \$2.3 billion (including the approximately \$235 million Port Headquarters Building completed in Fiscal Year 2019). The Harbor Department expects to finance the costs of the 2019-28 Capital Plan with the following sources: (i) \$145 million of proceeds of the Series 2020C Senior Notes (if issued) or the Additional Subordinate TIFIA Loan, if received; (ii) \$1.585 billion of revenues of the Harbor Department; (iii) \$305 million of proceeds of existing Senior Bonds; and (iv) \$265 million of federal and State grants and other sources of funds. See "—Funding Sources of 2019-28 Capital Plan." See also "THE PORT OF LONG BEACH—Environmental Compliance."

Many of the improvements to the marine terminals set forth in the Port Master Plan and the 2019-28 Capital Plan, include, but are not limited to, longer wharves, deeper berths, larger storage areas necessary to accommodate the docking and loading/unloading requirements of the current and future container cargo ships. Currently, the largest container cargo ships have the capacity to carry upwards of 21,000 TEUs.

Following is a brief description of some of the major projects included in the 2019-28 Capital Plan:

Middle Harbor Terminal Redevelopment Program (Piers D, E and F). The Middle Harbor Terminal Redevelopment Program is an approximately \$1.49 billion modernization of the container terminals on Piers D, E and F. The program will consolidate the Pier E terminal, and portions of the Pier F and Pier D terminals by filling slips and turning basins between them creating a contiguous, modern, 311-acre container terminal. Construction of this terminal includes new gates; buildings; wharf structures; rail-mounted gantry cranes; container and intermodal rail yards; landfill; paving and striping; and utility infrastructure. The program adds on-dock rail capacity, shore-side electrical power, battery charging stations for electric automated guided vehicles to transport containers between the container yard and wharf, electric rail-mounted gantry cranes to operate the container yard and intermodal rail yard, and deeper berths to accommodate the newest container ships. The project's final phase, with a budget of \$467 million, is underway and is scheduled to be completed in late-2020. When completed, the Middle Harbor Terminal is expected to be able to move up to an estimated 3.3 million TEU's annually, twice the amount of cargo that was moved through the old facilities. See "THE PORT OF LONG BEACH—Current Port Facilities—Container Terminals—Middle Harbor Terminal" for

information about the preferential assignment agreement the Harbor Department entered into with OOCL for the Middle Harbor Terminal.

Rail Program. A major transportation element of the 2019-28 Capital Plan is to move more cargo by rail. The Port has a significant railroad infrastructure improvement program that includes four rail-related projects with an approximate total cost of over \$1 billion. These rail-related projects are located adjacent to, but outside of, the marine terminal lease boundaries. The location and design of these rail-related projects are intended to support a significant increase in the amount of cargo moved by on-dock rail. The largest project within the Rail Program is the Pier B On-Dock Rail Support Facility. The Pier B On-Dock Rail Support Facility, which is currently underway, is expected to be complete in 2032. Right-of-way acquisition, utility relocations, street re-alignment and traffic improvements are significant work elements that will be undertaken prior to a phased railyard expansion. The expansion will increase on-dock rail activity at the container terminals by providing a staging yard for on-dock rail operations. This staging yard will (1) allow longer, 10,000-ft trains to be operated consistently from each container terminal without congesting main line operations; (2) improve utilization at each on-dock railyard by shifting train arrival and departure activities, locomotive fueling, and potentially railcar maintenance work to the Pier B yard; (3) act as a central classification yard where the railroads could assemble railcars from different container terminals into a single train; (4) provide space where each on-dock terminal could stage railcars until the on-dock terminal is ready to load and unload them; and (5) convert certain truck trips to rail trips between the Port and shippers in California, Arizona and Nevada. This project would increase the rail modal share of cargo activity in the harbor, with a corresponding reduction in modal share moving to and from the Port by truck.

Another important rail improvement project within the Rail Program is the Pier G Terminal Double Track Access Project. This project will add a second lead track serving both the Pier G Terminal and the Pier J Terminal, together with construction of additional storage tracks on the Pier G Terminal. This project will increase rail access and efficiencies to terminals at Piers E, F, G, and J. The total cost is expected to be approximately \$28 million. The California Transportation Commission selected this project for \$14 million in National Highway Freight Program federal funds authorized by block grant to California. Construction is scheduled to begin in January 2020.

Gerald Desmond Bridge Replacement Project. The Gerald Desmond Bridge Replacement Project consists of replacing the existing four-lane Gerald Desmond Bridge, which spans the Port's Main Channel, with a new six-lane bridge and higher clearance. Currently, the Gerald Desmond Bridge is only two lanes in each direction with no shoulders and is too low to accommodate passage of the largest ships. The Gerald Desmond Bridge is a vital link in the goods movement infrastructure for the San Pedro Bay Ports because it connects to 710 Freeway, which is the primary access route for the San Pedro Bay Ports and carries approximately 15% of all U.S. port-related container traffic. The new bridge will provide improved traffic flow, emergency lanes on both the inner and outer shoulders in each direction to reduce traffic delays and safety hazards from accidents and vehicle breakdowns, a 205-foot vertical clearance to accommodate taller vessels, a reduction in the bridge's steep grades, and a bicycle/pedestrian path with scenic overlooks. Additional improvements include reconstruction of the Terminal Island East Interchange and a new interchange with the 710 Freeway.

As of the date of this Official Statement, the Gerald Desmond Bridge Replacement Project is budgeted to cost approximately \$1.561 billion and is a joint effort between the California Department of Transportation ("Caltrans") and the Harbor Department. In September 2018, the Harbor Department, Caltrans and the Federal Highway Administration undertook a comprehensive review of the projected final cost of the Gerald Desmond Bridge Replacement Project. The current budget includes additional capitalized interest and certain additional Caltrans costs.

Funding for the Gerald Desmond Bridge Replacement Project is expected to come from numerous sources, including Federal, State, and Local grants (\$913 million), and other Harbor Department funds (\$648 million, including the \$325 million 2014 Subordinate TIFIA Loan, and \$145 million of proceeds of the Series 2020C Senior Notes (if issued) or the Additional Subordinate TIFIA Loan, if received). The Harbor

Department expects to draw, if ever, the proceeds of the 2014 Subordinate TIFIA Loan or the Additional Subordinate TIFIA Loan, if received, no later than [_____] 2021, which is one year after substantial completion of the Gerald Desmond Bridge Replacement Project (currently projected to be by [June 2020]). See “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations)—2014 Subordinate TIFIA Loan.”

The City, acting by and through the Board, entered into (a) a contract with Parsons Brinkerhoff Inc. to provide program management and construction management services, and (b) a lump-sum design-build contract with Shimmick Construction Company, Inc./FCC Construcción S.A./Impregilo S.p.A., a joint venture (each a “Design Builder” and collectively, the “Design Builders”), with respect to the Gerald Desmond Bridge Replacement Project. Construction of the new bridge began in 2013 and was originally expected to be completed by the end of 2016. Due to complexities of the site and design, in 2014, the Harbor Department revised the schedule for the Gerald Desmond Bridge Replacement Project, which included changing the date of substantial completion of the bridge (i.e. when the bridge is open to all traffic) to June 2018. However, as of August 2019, the latest schedule provided by the contractors of the bridge showed a date of substantial completion of [June 2020]. The Harbor Department and the contractors are currently working together to mitigate any additional schedule delays. As of the date of this Official Statement, the Harbor Department cannot predict if substantial completion of the bridge will occur as forecast by the contractor or if additional delays will occur. See “CERTAIN INVESTMENT CONSIDERATIONS—Factors Affecting 2019-28 Capital Plan” and “—Risks Related to the Disbursement of 2014 Subordinate TIFIA Loan and Additional Subordinate TIFIA Loan and Gerald Desmond Bridge Replacement Project—Market Access Required if 2014 Subordinate TIFIA Loan Proceeds are not Disbursed” and “—Market Access Required if Additional Subordinate TIFIA Loan Proceeds are not Disbursed.” Following completion of the new bridge, the old bridge will be demolished and removed.

Upon completion of the new Gerald Desmond Bridge, ownership of the bridge will be transferred to Caltrans. However, the Harbor Department has agreed to pay Caltrans all operation and maintenance costs with respect to the new bridge for a 30-year period commencing on the date ownership of the bridge is transferred to Caltrans.

Fire Safety Projects. The fire safety projects include the construction of two new fireboat stations: Stations No. 15 and No. 20. These stations will house the Port’s two new state-of-the-art fire boats: Vigilance and Protector. In addition, these stations will enable our Fire Department to improve their fire safety capabilities and response times to meet the needs of the changing marine environment of larger vessels and denser terminal operations. The two proposed fireboat stations would replace one older station and one temporary facility. Construction of one new fireboat station is expected to be complete by the end of 2020 and the second station is expected to be completed in mid-2022.

Infrastructure Capital Improvement Programs. The Harbor Department owns and maintains infrastructure outside of operating terminals including roadways, water distribution system, sanitary sewer system, storm drain system, electrical distribution system, wharf structures and rock dikes and other assets. To manage the infrastructure condition efficiently, the Harbor Department has developed a plan for roadway, bike and pedestrian paths and wet utilities improvements, including water, sanitary sewer and storm drain, with an approximate cost of \$294 million over the next ten years. To proactively monitor and manage infrastructure conditions throughout the Port, the Harbor Department intends to update the plan periodically.

Funding Sources of 2019-28 Capital Plan

The Harbor Department plans to finance the 2019-28 Capital Plan with the following sources of funding:

TABLE 9
Harbor Department of the City of Long Beach
Funding Sources of 2019-28 Capital Plan
(\$000's)

<u>Funding Source</u>	<u>Amount</u>
Series 2020C Notes (if issued)/Additional Subordinate TIFIA Loan (if received)	\$ 145,000
Harbor Department Revenues	1,585,000
Proceeds from Existing Senior Bonds	305,000
Federal and State Grants	265,000
Total	<u>\$2,300,000¹</u>

¹¹ Includes the approximately \$235 million Port Headquarters Building completed in Fiscal Year 2019.
Source: Harbor Department.

In the event any of the expected federal or State grants are not received by the Harbor Department, the Harbor Department will need to obtain alternative sources of funding. See also “CERTAIN INVESTMENT CONSIDERATIONS—Unavailability of, or Delays in, Anticipated Funding Sources.”

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FINANCIAL DATA

The following table presents the Harbor Department's Statements of Revenues, Expenses and Changes in Net Position for Fiscal Years 2015-2019 (unaudited).

TABLE 10
Harbor Department of the City of Long Beach
Comparative Summary of Statements of Revenues, Expenses and Changes of Net Position
Fiscal Years Ended September 30, 2015-2019 (unaudited)
(\$000's)

	2015	2016	2017	2018	2019 ²
Port Operating Revenues:					
Berths and Special Facilities	\$343,134	\$348,171	\$364,486	\$384,376	\$393,796
Rental Properties	9,881	9,958	13,732	14,279	15,668
Miscellaneous	2,435	2,531	2,792	3,023	2,809
Total Port Operating Revenues	<u>\$355,450</u>	<u>\$360,660</u>	<u>\$381,010</u>	<u>\$401,678</u>	<u>\$412,273</u>
Port Operating Expenses:					
Operating/Administrative	\$133,771	\$143,873	\$142,641	\$139,259	\$131,386
Depreciation/Amortization	137,709	146,721	148,445	147,224	144,716
Total Port Operating Expenses	<u>\$271,480</u>	<u>\$290,594</u>	<u>\$291,086</u>	<u>\$286,482</u>	<u>\$276,102</u>
Income from Port Operations	<u>\$83,970</u>	<u>\$70,066</u>	<u>\$89,924</u>	<u>\$115,196</u>	<u>\$136,171</u>
Non-Operating Revenues (Expense):					
Income from Equity in Joint Ventures, Net	2,811	2,544	2,162	2,001	2,596
Interest Expense, Net of Interest Capitalized	(878)	(13,244)	(5,883)	(14,536)	(13,513)
Interest Income	4,036	4,637	1,706	4,808	17,965
Other Income (Expense), Net	37,539	(4,469)	4,577	133	(16,060)
Total Non Operating Revenues (Expenses)	<u>\$43,508</u>	<u>\$(10,532)</u>	<u>\$2,562</u>	<u>\$(7,594)</u>	<u>\$(9,013)</u>
Income Before Transfers and Grants	<u>\$127,478</u>	<u>\$59,533</u>	<u>\$92,486</u>	<u>\$107,602</u>	<u>\$127,158</u>
Net Operating Transfers	\$(17,772)	\$(18,693)	\$(19,448)	\$(20,084)	\$(20,614)
Grants	121,008 ¹	128,282 ¹	73,072 ¹	67,511 ¹	68,682
Contributions to/from Others	-	4,008	-	-	-
Change in Net Position	<u>\$230,713</u>	<u>\$173,130</u>	<u>\$146,110</u>	<u>\$155,029</u>	<u>\$175,227</u>
Total Net Position (beginning of fiscal year)	\$3,462,209	\$3,609,819	\$3,780,027	\$3,926,137	\$4,081,166
Adjustment for GASB 68 Implementation ³	(83,104)	-	-	-	-
Adjustment for GASB 75 Implementation ³	-	(2,922)	-	-	-
Total Adjusted Net Position (beginning of fiscal year)	<u>\$3,379,105</u>	<u>\$3,606,897</u>	<u>\$3,780,027</u>	<u>\$3,926,137</u>	<u>\$4,081,166</u>
Total Net Position (end of fiscal year)	<u>\$3,609,818</u>	<u>\$3,780,027</u>	<u>\$3,926,137</u>	<u>\$4,081,166</u>	<u>\$4,256,392</u>

¹ In Fiscal Years 2015, 2016, 2017, 2018 and 2019, the Harbor Department received \$97 million, \$96 million, \$66 million, \$59 million and \$57 million, respectively, of federal and state grants in connection with the Gerald Desmond Bridge Replacement Project.

² Unaudited.

³ Certain Governmental Accounting Board Standards Board statements, affecting accounting and financial reporting requirements, were implemented thereby affecting the manner in which the Harbor Department reports its financial information.

Source: The Harbor Department's audited financial statements for Fiscal Years 2015-2018 and the Harbor Department's unaudited financial statements for Fiscal Year 2019.

Fiscal Year 2019 Results (Unaudited). Fiscal Year 2019 operating revenues were \$412 million (unaudited), an increase of 2.6% (unaudited) from Fiscal Year 2018. The revenue categories of containerized cargo and dry bulk (the Harbor Department's highest revenue producing cargo categories) increased 0.1%

(unaudited) and 0.6% (unaudited), respectively, in Fiscal Year 2019. The revenue category of petroleum/liquid bulk increased 37.1% (unaudited) in Fiscal Year 2019 and the revenue category of general cargo increased 13.5% (unaudited) in Fiscal Year 2019. Cargo volume for Fiscal Year 2019 was 172,960,462 MRTs (unaudited), a decrease of 4.2% (unaudited) from Fiscal Year 2018. Fiscal Year 2019 operating and administrative expenses were \$131.4 million (unaudited), a decrease of 5.7% (unaudited) from Fiscal Year 2018.

Financial Statements

The audited financial statements of the Harbor Department for the Fiscal Year ended September 30, 2018 (the “2018 Audited Financial Statements”) are included as Appendix A attached hereto. The 2018 Audited Financial Statements were audited by KPMG LLP, Los Angeles, California, independent certified public accountants, whose report with respect thereto also appears in Appendix A hereto. The Harbor Department has not requested, nor did the Harbor Department obtain, permission from KPMG LLP to include the 2018 Audited Financial Statements as an appendix to this Official Statement. KPMG LLP has not been engaged to perform and has not performed, since the date of its report included in Appendix A hereto, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

Accounting and Annual Budget

The City’s and the Harbor Department’s Fiscal Year begins on October 1 and ends on the subsequent September 30. All accounting functions for the Harbor Department are computerized. The Harbor Department’s practice of establishing separate operating accounts for each berth, special facility and leased property in the Port allows the Harbor Department to determine the relative profitability of every individual Port installation at any time. All operating records of the Harbor Department are, as provided by the Charter, audited annually by the City Auditor of the City of Long Beach as well as by an independent certified public accountant. See “— Financial Statements” above.

An annual operating budget is developed by Harbor Department staff and is reviewed and approved by the Board. In accordance with the terms of the Charter, the Harbor Department’s budget is then submitted to the City Manager for inclusion in the City budget. The City Council must approve the City budget prior to the beginning of each Fiscal Year.

Retirement Programs

Pension Plan.

General. Salaries and benefits costs of the Harbor Department include funding of retirement benefits for employees of the Harbor Department who, as City employees, participate in the California Public Employees Retirement System (“CalPERS”). Retirement payments paid from Harbor Department revenues were \$6.5 million in Fiscal Year 2015, \$8.1 million in Fiscal Year 2016, \$9.1 million in Fiscal Year 2017, \$10.3 million in Fiscal Year 2018 and \$11.8 million (unaudited) in Fiscal Year 2019. The Harbor Department’s budgeted contribution for Fiscal Year 2020 is \$15.6 million based on the June 30, 2017 and June 30, 2018 CalPERS valuation reports. Payments to CalPERS constitute Maintenance Costs of the Harbor Department.

For a variety of reasons, including investment losses, the City has experienced significant unfunded liabilities, and retirement costs payable with respect to all City employees, including employees of the Harbor Department, have increased in recent years. The Harbor Department is allocated approximately 19.2% of the City’s total CalPERS liability. As of June 30, 2018, the City’s “Miscellaneous Plan” with CalPERS (in which the Harbor Department employees participate) had an unfunded liability (with respect to all participating City employees, including employees assigned to the General Fund, the Harbor Department, and other enterprise funds) of approximately \$650.3 million (market value basis), which resulted in a funding ratio of 75.8% (market value basis).

In December 2016, the CalPERS Board lowered the actuarial assumption relating to the investment rate of return to be phased in over three years: for the fiscal year ending June 30, 2018 the rate will be 7.375%; for the fiscal year ending June 30, 2019 the rate will be 7.25%; and for the fiscal year ending June 30, 2020 the rate will be 7.00%. This is projected to result in increases in the City's (and the Harbor Department's) required contributions to CalPERS, and such increases could be significant. See "Note 15 – Retirement Program" in "APPENDIX A—HARBOR DEPARTMENT OF THE CITY OF LONG BEACH AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018" for additional information about the pension plan.

Changes to Pension Reporting. On June 25, 2012, the Governmental Accounting Standards Board ("GASB") approved two new standards with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new standards are set forth in GASB Statements 67 and 68 and replaced GASB Statement 27 and most of GASB Statements 25 and 50. The changes impact the accounting treatment of pension plans in which state and local governments participate, including the City's pension plans. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (such unfunded liabilities were previously typically included as notes to the government's financial statements); (2) more components of full pension costs are shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates are required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities are required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns are recognized over a closed five-year smoothing period.

In addition, GASB Statement 68 states that, for pensions within the scope of the statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. While the new accounting standards change financial statement reporting requirements, they do not impact funding policies of the pension systems. The reporting requirements for pension plans took effect for the fiscal year beginning mid-2013 and the reporting requirements for government employers will take effect for the fiscal year beginning mid-2014. The audited financial statements of the Harbor Department for Fiscal Year 2018 reflect implementation of the new GASB requirements, and resulted in the recognition of a net pension liability of the Harbor Department of approximately \$111.0 million. See "Note 15 – Retirement Program" in "APPENDIX A—HARBOR DEPARTMENT OF THE CITY OF LONG BEACH AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018" for a discussion of the impact of GASB 68.

Other Post-Employment Benefits. In addition to required contributions for retirement benefits for employees, the City pays certain post-employment health care and other non-pension benefits ("OPEB") for such employees. The Harbor Department's OPEB expenses were approximately \$824,000 (unaudited) in Fiscal Year 2019, and are expected to increase in the future. See "Note 15 – Retirement Program" in "APPENDIX A—HARBOR DEPARTMENT OF THE CITY OF LONG BEACH AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018" for additional information about the post-retirement health care benefits provided to the employees of the Harbor Department).

Risk Management and Insurance

The Master Senior Resolution does not specify any minimum amount of insurance coverage. Instead, the Master Senior Resolution requires the Board to maintain insurance or qualified self-insurance on the Port as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to the Port. The Master Senior Resolution does not require the Board to carry insurance against losses due to seismic activity. The Harbor Department presently carries an all-risk property insurance program covering physical loss or damage by fire and other risks (excluding earthquake and flood) with a loss limit of \$1.427 billion, and a deductible of \$500,000 per occurrence. Coverage for property damage caused by foreign and domestic acts of terrorism also is included in the all-risk property insurance program. Excluded from the

terrorism coverage, among other things, is property damage caused by acts of terrorism arising directly or indirectly from nuclear detonation and reaction, nuclear radiation, radioactive contamination or chemical release or exposure of any kind. Coverage for property damage caused by foreign and domestic acts of terrorism is also subject to the federal Terrorism Risk Insurance Act, which limits the amount insurance providers are required to pay in the event of foreign and domestic acts of terrorism. See also “CERTAIN INVESTMENT CONSIDERATIONS—Security at the Port.”

The Harbor Department also carries a comprehensive excess liability insurance program in the amount of \$150 million, in excess of \$1 million of self-insurance carried by the Harbor Department, covering all of the Harbor Department’s operations, including acts of sabotage and domestic and foreign acts of terrorism. Primary policies for liability and physical damage are in force covering the Harbor Department’s fire and work boats and contractor type equipment. The Harbor Department has elected to self-insure the first \$1 million of its auto liability exposure.

There can be no assurance as to the ability of an insurer to fulfill its obligations under any insurance policy and no assurance can be given as to the adequacy of such insurance to fund necessary repair or replacement of the damaged property. When renewing its insurance policies the Harbor Department makes no guarantee as to the ability to continue receiving the existing coverage or deductible amounts.

Port tenants are required to carry commercial general liability insurance coverage, auto liability insurance coverage, workers compensation and insurance coverage as required by the Federal U.S. Long Shore and Harbor Workers Act. Pollution liability insurance coverage also is required where warranted by exposure. Liability insurance requirements include bodily injury and property damage liability, on the leased premises and to name the City, the Board and the officers and employees of the Harbor Department as additional insured parties. Risk of loss is also transferred from the Harbor Department through the use of insurance endorsements and indemnification provisions contained in the various lease documents.

To further mitigate the adverse effects of a business disruption, the Harbor Department has developed and implemented a business continuity plan. The plan responds to incidents that impact key facilities, personnel, systems, applications, and resources and is coordinated with key stakeholders and civil authorities.

Investment Policy

The Harbor Department’s cash and investments, including restricted cash and investments, are pooled with the other City funds and maintained by the City Treasurer, except for the cash and investments that are held by U.S. Bank National Association, as trustee pursuant to the Sixth Supplemental Senior Resolution. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 SENIOR BONDS—Funds Held by Third Parties.” Interest income and gains and losses earned on pooled cash and investments are allocated monthly to the various pool participants based on their average daily cash balances. The Harbor Department is required by the Charter to participate in the City Treasurer’s pool.

The City maintains an Investment Policy, which, pursuant to the provisions of Section 53646 of the California Government Code, is annually submitted to and reviewed by the Investment Committee of the City and approved by the City Council. Quarterly reports are also provided to the City Manager, City Auditor, and the City Council which detail investment activity and portfolio balances. In addition, the Investment Advisory Committee, comprised of the Deputy City Attorney, the Assistant City Auditor, the City Treasurer, the Assistant City Treasurers, the City Controller, and the Director of Finance of the Harbor Department and the Director of Finance of the Water Department, or their designated representative meets quarterly, or as needed, with the City’s investment advisor to review investment policies and strategies and to make recommendations consistent with approved investment policies.

The goal of the Investment Policy is to invest public funds in a prudent manner, maintaining maximum security, meeting the daily cash flow demand of the City and conforming to all State and local statutes governing the investment of public funds. The objectives of the Investment Policy are, in the following order of priority:

(a) Safety: safety of principal is the foremost objective of the investment program, however risk is inherent throughout the investment process. The City’s investments shall be undertaken in a manner that seeks to maximize the preservation of capital in the overall portfolio and minimize the risk related to capital losses from institutional default, broker-dealer default, or erosion of market value.

(b) Liquidity: the City’s investment portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated.

(c) Yield: the City shall manage its funds to maximize the return on investments consistent with the two primary objectives of safety and liquidity. The investment goals are to maximize interest income through the prudent implementation of the Investment Policy and developed guidelines.

The City has established three benchmark measures for the pool funds portfolio: the three month U.S. Treasury Bill rate for the short maturity portfolio, the 1-year Constant Maturity Treasury index or equivalent index whose duration is equal to one year for the intermediate maturity portfolio, and the ICE BofA Merrill Lynch 1-5 year U.S. Treasury and Agency Index for the long maturity portfolio.

The City’s investment alternatives are specified in the California Government Code, Sections 53600 et seq. Within this framework, the Investment Policy specifies authorized investments, subject to certain limitations.

According to the City Treasurer’s quarterly investment report for the quarter ending September 30, 2019, the City’s invested funds totaled approximately \$[1.80] billion (of which approximately \$[624.15] million consisted of Harbor Department moneys). The City’s investment portfolio includes a variety of fixed income securities that vary in maturity from one day to five years. As of September 30, 2019, the City’s investment portfolio consisted of U.S. Treasury Notes ([44.43]%), U.S. Agency Notes ([38.38]%), the State of California Local Agency Investment Pool ([10.12]%), and certain other types of securities ([7.07]%).

A summary of the City Treasurer’s quarterly investment report for the quarter ending September 30, 2019, is set forth below:

TABLE 11
City of Long Beach
Invested Funds
(Quarter Ending September 30, 2019)

	Pooled Fund
Invested Market Balance	\$[1,806,344,752]
Portfolio Market Yield	[1.9578]%
Short-term Weighted Average Maturity	[0.14] years
Intermediate-term Weighted Average Maturity	[0.73] years
Long-term Weighted Average Maturity	[2.40] years

Source: The City.

CERTAIN INVESTMENT CONSIDERATIONS

The purchase and ownership of the Series 2020 Senior Bonds involve investment risk and may not be suitable for all investors. Prospective purchasers of the Series 2020 Senior Bonds are urged to read this Official Statement, including all Appendices, in its entirety. The factors set forth below, among others, may affect the security of the Series 2020 Senior Bonds. However, the following does not purport to be an exhaustive listing of all considerations which may be relevant to investing in the Series 2020 Senior Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such considerations.

Ability to Meet Rate Covenant

As discussed in “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 SENIOR BONDS—Rate Covenant,” the Master Senior Resolution provides that the City, acting by and through the Board, prescribe, revise and collect such charges, rentals, compensation or fees required to be paid for services, franchises, leases or licenses, as permitted or required by the Charter or otherwise by law, ordinance or order, to the City for operation upon lands and waters under the control and management of the Board, which, after making allowances for contingencies and error in the estimates, produce Revenues in each Fiscal Year equal to 1.25 times Maximum Annual Debt Service on the Senior Bonds.

In California, marine terminal services and facilities are priced through leases, and preferential, management and user agreements with water carriers and/or terminal operators. These arrangements generally provide for economic discounts from established tariffs in exchange for term commitments and/or minimum payment guarantees. A substantial majority of the Harbor Department’s maritime revenues are generated by such agreements. As payments under those agreements are usually based on current tariff rates, the Harbor Department can generally increase its revenues under those agreements either by increasing its tariff rates or through increases in shipping line volume. However, there are contractual, statutory, regulatory, practical, procedural and competitive limitations on the extent to which the Harbor Department can increase tariffs. Implementation of an increase in the schedule of rentals, rates, fees and charges for the use of the Port could have a detrimental impact on the operation of the Port by making the cost of operating at the Port unattractive to shipping lines and others in comparison to other locations, or by reducing the operating efficiency of the Port. See “THE PORT OF LONG BEACH—Property Agreements” above and “—Port Competition” below.

No Reserve Fund Established for Series 2020 Senior Bonds

No debt service reserve fund will be established to secure the payment of the principal of and interest on the Series 2020 Senior Bonds. Upon issuance of the Series 2020 Senior Bonds and the defeasance of the Series 2010 Senior Bonds with the proceeds of the Series 2020 Senior Bonds, no other Senior Bonds will be secured by a debt service reserve fund.

Factors Affecting Demand for Port Facilities

The demand for Port facilities and the Revenues of the Harbor Department are significantly influenced by a variety of factors, including, among others, global, domestic and local economic and political conditions, governmental regulation (including tariffs and trade restrictions), fuel prices, construction activity, currency values, international trade, availability and cost of labor, vessels, containers and insurance, the efficiency and adequacy of transportation and terminal infrastructure at the Port, the adequacy and location of major distribution hubs, the financial condition of maritime related industries, the proliferation of operational alliances and other structural conditions affecting maritime carriers. See “—Alliances and Consolidation of Container Shipping Industry” below.

The global, domestic and local economies play a very important role in the Port’s container volumes and resulting revenues. In 2008 and 2009, the global economic recession resulted in a significant drop in global

trade. This was exemplified by an approximately 8.5% decrease in the Port's contained volume in Fiscal Year 2008 as compared to Fiscal Year 2007 and an additional decrease of 21.6% in Fiscal Year 2009 as compared to Fiscal Year 2008. Future adverse economic conditions or actions that could negatively affect the economy (i.e., tariffs) could have an adverse effect the Revenues of the Harbor Department.

In the past, most recently being in late 2014 and early 2015, another factor affecting demand at the Port (and the Port of Los Angeles) has been congestion which has been caused by, among other things, ocean carriers divesting chassis ownership, shipping alliances and consolidation of the container ship industry, prolonged labor contract negotiation, and large volume ships straining marine terminal operating methods. Between October 2014 and March 2015, cargo throughput at the San Pedro Bay Ports decreased by 1.8% as compared to the period between October 2013 and March 2014. The Harbor Department cannot predict if congestion again will result in decreased demand of the Port's facilities.

Marine terminals continue to adjust to the deployment of mega vessels, defined as vessels with a TEU capacity of 10,000 or more. The Port is one of few ports nationwide that has the physical infrastructure to handle the so-called "big ships". At 76 feet, the Port has one of the deepest harbors of any seaport in the world. Five years ago, the average size vessel calling at the Port carried 8,000 TEUs. Today, vessels carrying up 13,000 TEUs call regularly and larger vessels are expected to arrive in the coming years as Middle Harbor reaches full development.

The San Pedro Bay Ports complex is the focal point for roughly 26 weekly vessel calls from East Asian ports, more than any other port complex in North America. The frequency of these vessel calls provides the Ports with operating flexibility and capacity. The Port offers features that extend beyond the piers, docks and waterways, in that Port tenants are serviced by the Union Pacific and BNSF Railways with over 75 weekly on-dock rail departures from Long Beach linking to an extensive network of rail connections. Additionally, southern California has the largest collection of logistics facilities in the nation, with approximately 1.7 billion square feet of warehouses and distribution centers.

Port Competition

The Revenues of the Harbor Department may be adversely impacted by increasing competition from other port facilities; however the Harbor Department cannot predict the scope of any such impact at this time. In addition, the imposition of fees that apply only to the Port or to a group of ports that includes the Port, may increase the cost to ocean carriers of utilizing the Port and may ultimately result in those ocean carriers using competing port facilities. The Harbor Department may reduce the tariffs or other charges applicable to its ocean carriers to moderate some or all of the potential impact, which in turn would reduce Revenues. See "—Factors Affecting Demand for Port Facilities" above.

There is significant competition for container traffic among North American ports. Success depends largely on the size of the local market and the efficiency of the port and inland transportation systems for non-local destinations. According to the American Association of Port Authorities, for the calendar year ended December 31, 2018, the top nine container ports in the nation in terms of container cargo were: (1) Port of Los Angeles (9.4 million TEUs), (2) Port of Long Beach (8.1 million TEUs), (3) Ports of New York and New Jersey (7.1 million TEUs), (4) Port of Savannah (4.3 million TEUs); (5) The Northwest Seaport Alliance (Ports of Seattle and Tacoma) (3.8 million TEUs), (6) Port of Norfolk (2.8 million TEUs), (7) Port of Houston (2.7 million TEUs), (8) Port of Oakland (2.5 million TEUs), and (9) Port of Charleston (2.3 million TEUs).⁵ As a comparison point, the facilities at the Port moved approximately 7.7 million TEUs (unaudited) for the Fiscal Year ended September 30, 2019.

Primary competition for the Port comes from the U.S. West Coast Ports of Los Angeles, Oakland, Seattle and Tacoma and the Canadian Ports of Vancouver and Prince Rupert. All-water service from Asia to the

⁵ Statistics and ranking from the American Association of Port Authorities for calendar year 2019 are not yet available.

U.S. Gulf Coast and East Coast ports through the Panama Canal and through the Suez Canal also compete for the same cargoes. Improvements completed in 2016 to the Panama Canal will allow larger ships carrying up to 14,000 TEUs to traverse the canal and some diversion of Asian imports from West Coast ports to the U.S. East and Gulf Coast ports may increase. In addition, there may be longer-term competition from the West Coast ports of Mexico. All of these ports compete with the Port for discretionary intermodal cargo destined for locations in the Central and Eastern United States and Canada. Currently, this discretionary cargo moves eastward primarily by rail, after being off-loaded at West Coast ports in the United States and Canada. Discretionary cargo is highly elastic and is controlled largely by cargo owners and/or ocean carriers who can direct and redirect cargo to any port they choose. Currently, approximately 65% of the cargo handled by the Port is discretionary cargo. Each port has various competitive advantages and disadvantages in attracting this cargo, but overall cost is the primary factor in routing decisions. The greatest risk to the Port's market share is with the intermodal discretionary cargo segment. Reduced market share ultimately could impact revenue for the Harbor Department. See "THE PORT OF LONG BEACH—Stevedoring and Cargo Handling."

Southern California. The Port and the Port of Los Angeles compete for cargo that "naturally" moves through Southern California. Such cargo includes both local cargo (e.g., cargo consumed within the locally defined region) and cargo that is routed through Southern California for other reasons (e.g., superior inland distribution capability). The population base in Southern California has been a key driving force for the growth of container cargo moving through the San Pedro Bay Ports. The roughly 24 million people living in Southern California are a lucrative market for imported goods which cargo owners and ocean carriers need to service directly. The development of large efficient container terminals and connections to intermodal rail links benefit the carriers and cargo owners due to the economies of scale at the San Pedro Bay Ports. Most container services calling on the West Coast include stops in Southern California and of these stops, a majority utilize the San Pedro Bay Ports as their first port of call and primary intermodal gateway. Over the past ten calendar years, total container throughput at the San Pedro Bay Ports increased from approximately 11.8 million TEUs in 2009 (which amount reflected the negative impacts of the last recession) to approximately 17.5 million TEUs in 2018. Over the last five years, as the economy recovered from the recession, total container throughput at the San Pedro Bay Ports increased by 15.8% from approximately 15.2 million TEUs in 2014 to approximately 17.5 million TEUs in 2018. The San Pedro Bay Ports' share of total West Coast TEU throughput was approximately 61.6% in 2018.

The Port of Los Angeles is effectively the Port's only competition for the local market areas of Southern California, Arizona, New Mexico, Southern Nevada and Utah because of its proximity to the Port and shared inland infrastructure. Other Southern California ports, such as San Diego and Hueneme, account for a very small percentage of total West Coast cargo volume and are not expected to increase their market shares significantly in the foreseeable future. The Port of Los Angeles was the number one container port in the nation during calendar year 2018, moving approximately 9.4 million TEUs, as compared to the Port (the second busiest container port in the nation) which moved approximately 8.1 million TEUs. For calendar year 2018, the Port's share of total West Coast containerized cargo was approximately 28.4% as compared to approximately 33.2% for the Port of Los Angeles.

Oakland. The Port of Oakland is the primary container port for the San Francisco Bay Area. Although the Port of San Francisco has cargo handling facilities, its primary focus is waterfront commercial real estate. Therefore, the Port of Oakland dominates container traffic through Northern California. The Port of Oakland handled approximately 2.4 million TEUs in calendar year 2017, accounting for approximately 8.8% of the West Coast container market. In calendar year 2018, the Port of Oakland handled approximately 2.5 million TEUs, and its share of the West Coast container market was approximately 8.9%.

Pacific Northwest. Despite the relatively small population base of western Washington, the Ports of Seattle and Tacoma have some advantages over other ports. Located on Puget Sound, the Ports of Seattle and Tacoma enjoy naturally deep harbors and are one day's sailing time closer to the ports in the Pacific Rim countries than the Port. Unlike the Port, the Ports of Seattle and Tacoma are subsidized by general property tax revenues, which allow them to price their marine terminal facilities below the Port's. The Ports of Seattle and

Tacoma handled approximately 3.7 million TEUs in calendar year 2017, and together accounted for a total of approximately 13.4% of the West Coast container market. The Ports of Seattle and Tacoma handled approximately 3.8 million TEUs, in calendar year 2018, and together accounted for a total of approximately 13.3% of the West Coast container market.

On December 1, 2014 the Ports of Tacoma and Seattle announced the formation of The Northwest Seaport Alliance to unify management at the two ports' marine cargo terminals and collaborate on business objectives, strategic maritime investments, financial returns, performance metrics, organizational structure and communications and public engagement.

The development of additional container handling capacity at Port Metro Vancouver ("PMV"), which was formed by the merger of the Ports of Vancouver, Fraser River and North Fraser River, has added a competitive threat to the Puget Sound ports and provides an alternative gateway for some U.S. intermodal cargo. Like the Ports of Seattle and Tacoma, PMV is one day's sailing time closer to the ports in the Pacific Rim countries than the Port. In January 2010, PMV opened a third berth at Deltaport, which increased PMV's capacity by up to 600,000 TEUs and added 50 acres of container storage facilities to the existing two berth container terminal (210 acres after expansion). In addition, PMV is planning the Robert Banks Terminal 2 Project at Deltaport, which will add a new, three-berth container facility with 200 acres of upland container terminal. PMV handled approximately 3.2 million TEUs in calendar year 2017, accounting for approximately 11.9% of the West Coast container market. PMV handled approximately 3.3 million TEUs in calendar year 2018, accounting for approximately 11.9% of the West Coast container market.

All-Water Routes. The use of all-water routes to the East and Gulf Coasts of the U.S. is an alternative to Asian intermodal cargo moving through United States West Coast ports. Demand for these all-water services increased following the 2002, 2008 and 2014 longshore contract issues that affected the entire West Coast. The primary appeal of the all-water routes is the expected reliability of the services (e.g., the lack of perceived labor shortages or work stoppages). Historically, constraints to all-water routes included lack of channel depth at many Gulf and East Coast ports compared to West Coast ports, longer shipping times, and vessel size limitations of the Panama Canal. The latter constraint was mitigated by an expansion of the Panama Canal, the completion of which occurred in 2016 and allows larger vessels carrying up to 14,000 TEUs to navigate the isthmus in order to reach Gulf and East Coast ports. The competitive landscape also includes plans now in the works for many ports to increase channel depth, and remove other physical obstacles which prevent the calling of "big ships," and enhancing operational efficiency through the purchase and use of new equipment and automation, as well as augmenting transportation infrastructure.

Alliances and Consolidation of Container Shipping Industry

As illustrated by the bankruptcy of Hanjin in 2016, since 2007, the financial health of the container-shipping industry has been under substantial stress because of numerous factors, including, among others, the world financial crisis which occurred between 2008 and 2009, overcapacity of available ships, decreasing freight rates and volatile fuel costs. In response to these challenges, among others, the container-shipping industry has seen the forming of strategic alliances and the merger of certain shipping lines.

As of the date of this Official Statement, there are three main shipping alliances, 2M+H+Z Alliance, THE Alliance and OCEAN Alliance.

In 2014, Maersk and Mediterranean Shipping Company established the "2M Alliance," a 10-year agreement for Asia-Europe, trans-Atlantic and trans-Pacific routes. In 2017, Hyundai Merchant Marine Shipping (HMM) became a partner in 2M through a strategic cooperation agreement, and in 2018, ZIM also became a partner in this agreement. This alliance is referred to as 2M+H+Z Alliance.

THE (Transport High Efficiency) Alliance, established in 2017, consists of the Ocean Network Express (ONE) (which formed in April 2018 when NYK Line, MOL and "K" Line became one company), Yang Ming,

and Hapag-Lloyd. According to the Journal of Commerce and subject to necessary regulatory approvals, HMM will depart from the 2M+H+Z Alliance in April 2020 and join ONE, Yang Ming, and Hapag-Lloyd as a member of THE Alliance as part of a 10-year agreement starting April 1, 2020 and will include Asia-Europe, Asia-Mediterranean, trans-Pacific to United States West Coast and East Coast ports, trans-Atlantic and Asia-Middle East routes.

OCEAN Alliance, established in 2017, consists of CMA CGM, Evergreen, OOCL and COSCO. According to OCEAN Alliance, the pact will be for ten years and will include Asia-Europe, Asia-Mediterranean, trans-Pacific to United States West Coast and East Coast ports, trans-Atlantic, Asia-Red Sea and Asia-Middle East routes.

According to IHS Markit/PIERS, these three alliances shipped over 94% of all imports from Asia to the United States from January through August 2019. In addition, according to IHS Markit/PIERS, from January 2019 to August 2019, the OCEAN Alliance, THE Alliance and 2M+H+Z Alliance accounted for 41.9%, 28.2% and 24.6%, respectively, of the market share of United States imports from Asia. However, with HMM's United States import volume shifting from 2M+H+Z Alliance to THE Alliance, it is expected that such alliances' market share will change. Many of the container-shipping lines that are part of 2M+H+Z Alliance, THE Alliance and OCEAN Alliance operate at the Port.

In addition to the alliances described above, numerous shipping lines have merged in the past five years. See "THE PORT OF LONG BEACH—Current Port Facilities—Container Terminals—Middle Harbor Terminal" for information about COSCO's and OOCL's interests in the Middle Harbor Terminal.

Additional alliances and mergers could occur in the future. Although, at this time, the Harbor Department cannot predict what effect 2M+H+Z, THE Alliance and OCEAN Alliance and the pending sale of LBCT, will have on container traffic at the Port or the Revenues of the Harbor Department, alliances and consolidation in the container-shipping industry could impact container traffic at the Port and affect Revenues.

Factors Affecting 2019-28 Capital Plan

The ability of the Harbor Department to complete the projects in the 2019-28 Capital Plan may be adversely affected by various factors including: (a) estimating errors; (b) design and engineering errors; (c) changes to the scope of the projects, including changes to federal security regulations; (d) delays in contract awards; (e) material and/or labor shortages; (f) unforeseen site conditions; (g) adverse weather conditions and other force majeure events, such as earthquakes; (h) contractor defaults; (i) labor disputes; (j) unanticipated levels of inflation; (k) environmental issues; and (l) unavailability of, or delays in, anticipated funding sources. The Harbor Department can provide no assurance that the existing projects in the 2019-28 Capital Plan will not cost more than the current budget for these projects. Any schedule delays or cost increases could result in the need to incur additional indebtedness.

Unavailability of, or Delays in, Anticipated Funding Sources

As described herein, the Harbor Department anticipates that funding for the 2019-28 Capital Plan will be provided through proceeds of Senior Bonds and Subordinate Obligations, revenues of the Harbor Department, federal and State grants and other sources. See "CAPITAL DEVELOPMENT PROGRAM" for a description of the financing plan for the 2019-28 Capital Plan. In the event that any of such sources are unavailable for any reason, including unavailability of revenues of the Harbor Department, reduction in the amount or delays in the receipt of federal and State grants available to the Harbor Department or any other reason, the completion of the 2019-28 Capital Plan could be substantially delayed and financing costs could be higher than projected. There can be no assurances that such circumstances will not materially adversely affect the financial condition or operations of the Port.

Risks Related to the Disbursement of 2014 Subordinate TIFIA Loan and Additional Subordinate TIFIA Loan and Gerald Desmond Bridge Replacement Project

Disbursement of 2014 Subordinate TIFIA Loan. It is expected that the principal of the Series 2018A Senior Notes, or any obligations that may be issued to refinance the Series 2018A Senior Notes, will be paid at maturity from the proceeds of a disbursement of the 2014 Subordinate TIFIA Loan. The proceeds of the 2014 Subordinate TIFIA Loan are expected to be drawn, if ever, no later than [_____] 2021, which is one year after substantial completion of the Gerald Desmond Bridge Replacement Project (currently projected to be by [June 2020]). Disbursement of the 2014 Subordinate TIFIA Loan is subject to several conditions precedent. In the event the conditions to disbursement of the 2014 Subordinate TIFIA Loan cannot be satisfied on or before the maturity date of the Series 2018A Senior Notes, the Harbor Department will be required to use an alternate method of repaying the Series 2018A Senior Notes, including the issuance of additional Senior Bonds and/or Subordinate Obligations. See “Market Access Required if 2014 Subordinate TIFIA Loan Proceeds are not Disbursed” below.

Disbursement of Additional Subordinate TIFIA Loan. It is expected that the principal of the Series 2020C Senior Notes (if issued) will be paid at maturity in [_____] 2021 from the proceeds of a disbursement of the Additional Subordinate TIFIA Loan, if received. The proceeds of the Additional Subordinate TIFIA Loan, if received, are expected to be drawn, if ever, no later than [_____] 2021, which is one year after substantial completion of the Gerald Desmond Bridge Replacement Project (currently projected to be by [June 2020]). Disbursement of the Additional Subordinate TIFIA Loan will likely be subject to several conditions precedent. In the event the conditions to disbursement of the Additional Subordinate TIFIA Loan cannot be satisfied on or before the maturity date of the Series 2020C Senior Notes (if issued), the Harbor Department will be required to use an alternate method of repaying the Series 2020C Senior Notes (if issued), including the issuance of additional Senior Bonds and/or Subordinate Obligations. See “Market Access Required if 2014 Subordinate TIFIA Loan Proceeds or Additional Subordinate TIFIA Loan Proceeds are not Disbursed” below.

Completion of the Gerald Desmond Bridge Replacement Project. As described above under “Disbursement of 2014 Subordinate TIFIA Loan” and “Disbursement of Additional Subordinate TIFIA Loan,” substantial completion of the Gerald Desmond Bridge Replacement Project must occur prior to the 2014 Subordinate TIFIA Lender disbursing proceeds under the 2014 Subordinate TIFIA Loan and the Additional Subordinate TIFIA Loan, if received. Under the 2014 Subordinate TIFIA Loan Agreement, substantial completion of the Gerald Desmond Bridge Replacement Project is generally defined as the opening of the new bridge to vehicular traffic.

Completion of the construction of the Gerald Desmond Bridge Replacement Project within budget and on schedule may be adversely affected by various factors including: (a) estimating errors; (b) design and engineering errors; (c) material and/or labor shortages; (d) unforeseen site conditions; (e) adverse weather conditions and other force majeure events, including, earthquakes (see “—Seismic Risks” below), tornados, hurricanes or other natural disasters, epidemics, blockades, rebellions, war, riots, acts of sabotage, terrorism or civil commotion, and spills of hazardous materials, among other events; (f) defaults of the one or more of the Design Builders and litigation involving one or more of the Design Builders; (g) labor disputes; (h) environmental issues; (i) unavailability of other funding sources; (j) changes in law; and (k) delays in obtaining or renewing required permits and revocation of permits and other approvals. No assurance can be made that the Gerald Desmond Bridge Replacement Project will not cost more than the current budget. Any delays in completing the Gerald Desmond Bridge Replacement Project could result in the proceeds of the 2014 Subordinate TIFIA Loan not being available to pay the principal of the Series 2018A Senior Notes at maturity and the proceeds of the Additional Subordinate TIFIA Loan, if received, not being available to pay the principal of the Series 2020C Senior Notes (if issued) at maturity.

As described herein, the Harbor Department anticipates that funding for the Gerald Desmond Bridge Replacement Project will come from numerous sources, including, federal, state, and local grants (\$913 million),

and other Harbor Department funds (\$648 million, including the \$325 million 2014 Subordinate TIFIA Loan and \$145 million of proceeds of the Series 2020C Senior Notes (if issued) or the Additional Subordinate TIFIA Loan, if received). In the event that payment of the federal, state and local grants are delayed or if such grants are reduced and the Harbor Department is not able to replace such grants with funds of the Harbor Department or proceeds of additional Senior Bonds and/or Subordinate Obligations, the completion of the Gerald Desmond Bridge Replacement Project could be substantially delayed.

Market Access Required if 2014 Subordinate TIFIA Loan Proceeds are not Disbursed. In the event the conditions to disbursement of the 2014 Subordinate TIFIA Loan cannot be satisfied on or before the maturity date of the Series 2018A Senior Notes (December 15, 2020) or the maturity date of any obligations that may be issued to refinance the Series 2018A Senior Notes, the Harbor Department will be required to use alternate methods of repaying the Series 2018A Senior Notes, which could include issuing additional Senior Bonds or additional Subordinate Obligations. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 SENIOR BONDS—Additional Senior Bonds.” No assurances can be given that the City, acting by and through the Board, will be able to access the capital markets in the event proceeds are not disbursed under the 2014 Subordinate TIFIA Loan.

Market Access Required if Additional Subordinate TIFIA Loan Proceeds are not Disbursed. In the event any conditions to disbursement of the Additional Subordinate TIFIA Loan, if received, cannot be satisfied on or before the maturity date of the Series 2020C Senior Notes (if issued) (June 15, 2021) or the maturity date of any obligations that may be issued to refinance the Series 2020C Senior Notes (if issued) the Harbor Department would be required to use an alternate method of repaying the Series 2020C Senior Notes (if issued) which could include issuing additional Senior Bonds or additional Subordinate Obligations. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 SENIOR BONDS—Additional Senior Bonds.” No assurances can be given that the City, acting by and through the Board, will be able to access the capital markets in the event proceeds are not disbursed under the Additional Subordinate TIFIA Loan, if received.

Damage or Destruction of New Bridge Prior to Transfer to Caltrans. One of the conditions precedent to the disbursement of the 2014 Subordinate TIFIA Loan and one of the possible conditions precedent to the disbursement of the Additional Subordinate TIFIA Loan, if received, is that no material adverse change has occurred to the new bridge prior to its transfer to Caltrans. In the event the Gerald Desmond Bridge Replacement Project has been substantially completed, but the City, acting by and through the Board, has not yet transferred the new bridge to Caltrans and the new bridge is damaged either through a natural event (e.g., earthquake) or other event (e.g., terrorist act), the 2014 Subordinate TIFIA Lender may refuse to disburse the proceeds of the 2014 Subordinate TIFIA Loan and the Additional Subordinate TIFIA Loan, if received. See “—Security at the Port” and “—Seismic Risks” below.

Executive Orders and Federal Laws and Regulations (Tariffs and Trade)

Since taking office in January 2017, the Trump Administration has issued several executive orders and proclamations, and has indicated its intent to initiate additional executive orders, legislation and/or regulations affecting Federal policy in areas such as tariffs and trade.

Since January 2018, President Trump has applied a significant amount of new tariffs to a wide variety of products imported from China and other nations, including aluminum, steel and consumer goods. As of the date of this Official Statement, the Trump administration continues to review the imposition of additional tariffs. In response to the tariffs imposed by the U.S., numerous countries around the world (including China) have imposed tariffs on U.S. produced goods, and have publicly indicated additional tariffs may be imposed in the future. While tariffs imposed by the U.S., China and other nations may, in general have a financial impact upon the Harbor Department and/or the tenants of the Port, as of the date of this Official Statement, insufficient information is available to estimate the magnitude, if any, of such potential impacts. There can be no assurances that extended continuation of current tariffs and/or imposition of additional tariffs will not materially adversely affect the financial condition of the Harbor Department.

Security at the Port

As a result of the terrorists attacks of September 11, 2001, the Maritime Transportation Security Act of 2002 (“MTSA”) was signed into law on November 25, 2002 to require sectors of the maritime industry to implement measures designed to protect the ports and waterways of the U.S. from a terrorist attack. MTSA requires interagency teamwork within the Department of Homeland Security, including, the U.S. Coast Guard, the Transportation Security Administration (the “TSA”) and the Bureau of Customs and Border Protection, and the Department of Transportation’s Maritime Administration to develop security regulations. The security regulations focus on those sectors of maritime industry that have a higher risk of involvement in a transportation security incident, including various tank vessels, barges, large passenger vessels, cargo vessels, towing vessels, offshore oil and gas platforms, and port facilities that handle certain kinds of dangerous cargo or service the vessels listed above. Such regulations were implemented on July 1, 2003, and final rules became effective in November 2003. The regulations provide for port and vessel owners and operators to assess their vulnerabilities, and to then develop plans that may include implementing vehicle, container and baggage screening procedures, designating security patrols, establishing restricted areas, implementing personnel identification procedures, accessing control measures, and/or installing surveillance equipment. The Harbor Department and each of its applicable tenants have in place procedures for complying with MTSA.

To comply with MTSA regulations and based on the Harbor Department’s own initiatives, the Harbor Department is implementing certain security measures. The Harbor Department has installed and implemented a video camera surveillance system to monitor activities throughout the Port complex. To address waterside threats, the Harbor Department has a radar detection system and has agreements with the Long Beach Police Department to provide 24/7 “on water” patrol capability. The Harbor Department is working with marine terminal operators and other stakeholders within and outside the Port to share video camera feeds, thereby enhancing overall regional security monitoring capabilities. The Harbor Department has installed tools to assist in emergencies, including programmable highway signs, and an automated emergency notification system to provide secure communications with tenants and emergency services. The Harbor Department continues to support efforts by the TSA to implement a transportation workers identification card. The Harbor Department has improved and continues to enhance physical security throughout the Port complex by installing security fencing, lighting, barriers and access control systems. These improvements are being applied to all infrastructure above and below ground. Radiation portal monitors have been installed at all of the container terminals, which are managed by the U.S. Customs & Border Protection. All containers originating at foreign ports will be tested for the presence of radioactive materials when leaving the Port.

In February 2009, the Harbor Department opened the Joint Command & Control Center which serves as the Harbor Department Security Division and Port Police Division headquarters and functions as a multi-agency incident command post, housing approximately 120 personnel (which is triple the level of staffing on September 11, 2001). The Command and Control Center functions as a “maritime domain awareness center” and combines and displays all the surveillance, detection and monitoring data from throughout the Port; this data is shared and communicated with facility security personnel and law enforcement agencies that protect the harbor complex. In addition, the Harbor Department has implemented a geo-spatial software platform that provides a common operational picture of the region’s maritime domain to support daily security functions, incident response, and recovery operations. The Command and Control Center also is the home to the Maritime Coordination Center, which coordinates the response to offshore illicit activities for over 70 different maritime law enforcement entities along 320 miles of California coastline. The Harbor Department has significantly increased its budgeted security operating costs since 2002. Security Division operating expenses as well as service agreements with City of Long Beach Fire and Police Departments have increased from \$15.6 million in 2008 to \$33.0 million in 2020.

In 2016 and 2017, the Harbor Department took delivery of two new state-of-the-art fireboats that will, among other things, enable it to respond more effectively to fires on mega-cargo ships. In addition, these fireboats are equipped with chemical, biological, radiological, and nuclear response capabilities and have an air tight citadel and equipment that enables them to respond to hazardous incidents.

There can be no assurance that MTSA requirements will not become more strict or that additional requirements may require the Harbor Department to incur additional security-related expenses.

National and local law enforcement officials have warned that additional terrorist attacks upon key infrastructure and other targets in the United States are possible. The Port and the surrounding waterways are particularly visible infrastructure assets that could be the subject of future attempted terrorist attacks. A shutdown of the Port complex could have a significant impact on the U.S. economy. A terrorist attack on the Port or the surrounding waterways or an attack somewhere else in the country or the world could have a material adverse effect on the collection of Revenues at the Port. See “FINANCIAL DATA—Risk Management and Insurance.”

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operations of the Port. The Harbor Department and the tenants at the Port collect and store sensitive data, including intellectual property, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to industry operations.

The Harbor Department approaches cybersecurity through a multi-threaded approach to ensure a layered defense. The Cybersecurity Framework (“CSF”) utilized by the Harbor Department aligns with industry standards and regulations (focusing on National Institute of Standards and Technology Special Publication 800-53). This standard recommends security controls for federal information systems and organizations while documenting security controls for all federal information systems with the exception for those designed for national security. This framework allows continual assessments and improvement of the Port’s cybersecurity program.

The Harbor Department routinely utilizes respected and objective third-party consultants to perform risk assessments of its cybersecurity programs. The CSF is used to assess the people, process and technology components. Additionally, the Harbor Department regularly consults with the United States Coast Guard, the Federal Bureau of Investigation, the Department of Homeland Security, the Center for Internet Security, and respected technical advisory firms to benchmark its practices and stay abreast of emerging threats.

Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in the efficiency of commerce, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, operations and the services provided, and cause a loss of confidence in the commercial operations of industries including the operations at the Port, which could ultimately adversely affect Harbor Department revenues.

Environmental Compliance and Impacts

Future environmental laws, regulations, enforcement priorities and standards and judicial decisions may impact the Harbor Department and the Port and the ability to construct and develop new revenue-generating facilities at the Port. Such impacts could be material and could result in significantly delays. See “THE PORT OF LONG BEACH—Environmental Compliance.”

In addition to the laws and regulations enacted and adopted by governmental entities, certain individuals and organizations could seek additional legal remedies to require the Harbor Department to take further actions to mitigate health hazards or seek damages from the Harbor Department in connection with the environmental impact of its maritime activities. Any actions taken by these individuals and organizations could be costly to

defend, could result in substantial damage awards against the Harbor Department or could significantly delay or limit the Harbor Department's plans to construct and develop new revenue-generating facilities at the Port.

Climate Change

In November 2015, the City Mayor signed an official commitment to the Compact of Mayors (now called the Global Covenant of Mayors), a global coalition working to collectively reduce greenhouse gas emissions and enhance resilience to climate change. As part of this commitment, the City is currently developing a Climate Action and Adaptation Plan ("CAAP"). The CAAP will also be used to ensure City compliance with various state and regional mandates. As part of the larger CAAP report process, the City is required to file a report with the State Lands Commission that will estimate the potential future costs of sea level rise within the Tidelands area of the City. The CAAP is intended to provide a framework for creating or updating policies, programs, practices, and incentives for City residents and businesses to reduce the City's greenhouse gas footprint, and better protect the City community and its physical assets from the impacts of climate change. The CAAP process to date has included the preparation of technical analyses and vulnerability assessments of critical City assets. Currently CAAP development efforts indicate that, in the future, climate-related hazards may impact the City, including sea level rise, flooding and extreme heat. Related impacts could include damage to critical City infrastructure, such as the City's buildings, and wastewater and transportation systems. The CAAP development process will also include the development of mitigation and adaptation strategies for the City to consider, including reductions of greenhouse gas emissions, strengthening emergency response and disaster recovery planning, and the relocation or elevation of infrastructure, business' and homes in areas particularly subject to climate impact.

In 2016, the Harbor Department finalized the "Port of Long Beach Coastal Resiliency Plan", which aims to improve the resiliency of Port operations and infrastructure by proactively identifying areas and assets which will be vulnerable to anticipated changes in climate (including sea level rise) and providing cost-effective adaptation strategies to address those vulnerabilities.

The Harbor Department is unable to predict whether sea-level rise or other impacts of climate change will occur while the Series 2020 Senior Bonds are outstanding, and if any such events occur, whether there will be an adverse impact, material or otherwise, on Revenues.

Seismic Risks

The Port is located in an area considered to be seismically active. The two faults closest to the Port are the Palos Verdes fault and the Newport-Inglewood fault. More distant faults with a history of causing earthquakes and damage include the San Andreas and San Jacinto faults. A significant earthquake is possible during the period the Series 2020 Senior Bonds will be outstanding. Since 1975, the Harbor Department has designed wharves and other major facilities to withstand the effects of an 8.0 Richter Scale earthquake on the San Andreas fault and a 7.5 Richter Scale earthquake on either the Newport-Inglewood fault or the Palos Verdes fault.

In March 2015, the Uniform California Earthquake Rupture Forecast (the "2015 Earthquake Forecast") was issued by the Working Group on California Earthquake Probabilities. Organizations sponsoring the Working Group on California Earthquake Probabilities include the U.S. Geological Survey, the California Geological Survey, the Southern California Earthquake Center and the California Earthquake Authority. According to the 2015 Earthquake Forecast, the probability of a magnitude 6.7 or larger earthquake over the next 30 years (from 2014) striking the greater Los Angeles area is 60%. From the Uniform California Earthquake Rupture Forecast published in April 2008 (the "2008 Earthquake Forecast"), the estimated rate of earthquakes around magnitude 6.7 or larger decreased by about 30%. However, the estimate for the likelihood that California will experience a magnitude 8.0 or larger earthquake in the next 30 years (from 2014) increased from about 4.7% in the 2008 Earthquake Forecast to about 7.0% in the 2015 Earthquake Forecast. The 2015 Earthquake Forecast

considered more than 250,000 different fault-based earthquakes, including multifault ruptures, whereas the 2008 Earthquake Forecast considered approximately 10,000 different fault-based earthquakes.

The Port could sustain extensive damage to its facilities in a major seismic event from ground motion and liquefaction of underlying soils, which damage could include slope failures along the shoreline, damage to streets, bridges and rail facilities, pavement displacement, distortions of pavement grades, breaks in utility, drainage and sewage lines, displacement or collapse of buildings, failure of bulkhead walls, and rupture of gas and fuel lines. A major seismic event in Southern California, or elsewhere in the world, also could result in the creation of a tsunami that could cause flooding and other damage to the Port. Damage to Port facilities as a result of a seismic event could materially adversely affect Revenues. Additionally, damage to Long Beach/Los Angeles area infrastructure outside of the Port, such as bridges, streets and freeways, public transportation and rail lines could materially adversely affect access to and from the Port, which in turn could materially adversely affect Revenues.

Neither the City nor the Harbor Department maintains insurance against earthquake damage because of the high costs of premiums and the low levels of coverage currently available. To date, no earthquakes have caused structural damage to Port facilities. See “FINANCIAL DATA—Risk Management and Insurance.”

Termination or Expiration of Property Agreements

Over the last five Fiscal Years, property agreements covering waterfront property and facilities have generated in excess of 95% (unaudited) of the Harbor Department’s operating revenues, with the largest single customer accounting for approximately 23% (unaudited) of the Harbor Department’s operating revenues in Fiscal Year 2019. Under these agreements, the City, by and through the Board, assigns or leases property and facilities to terminal operators for terms of up to 40 years. The property agreements with the Port’s current top ten revenue producers have expiration dates ranging from 2022 to 2051, with eight of these agreements (including most of the agreements for the major container terminals) expiring between 2022 and 2034.

Should a significant number of the parties to the property agreements default on their obligation, terminate their relationships with the Harbor Department or fail to renew their agreements upon expiration, the amount of Revenues realized by the Harbor Department could be materially impaired and this could have an adverse impact on the Harbor Department’s ability to pay debt service on the Series 2020 Senior Bonds. See “THE PORT OF LONG BEACH—Property Agreements.”

Effect of Tenant Bankruptcy

A bankruptcy of a tenant of the Port could result in delays and/or reductions in payments to the Harbor Department which could affect the Harbor Department’s ability to pay debt service on the Senior Bonds (including the Series 2020 Senior Bonds) and Subordinate Obligations.

A tenant that has executed a preferential assignment agreement, lease or other executory contract with the Board and seeks protection under the U.S. bankruptcy laws must assume or reject (a) its preferential assignment agreement or lease within 120 days after the bankruptcy filing (subject to court approval, a one-time 90-day extension is allowed, and further extensions are allowed with the consent of the Board), and (b) its other executory contracts with the Board prior to the confirmation of a plan of reorganization.

In the event of assumption and/or assignment of any agreement to a third party, the tenant would be required to cure any pre- and post-petition monetary defaults and provide adequate assurance of future performance under the applicable preferential assignment agreement, lease or other agreements.

Rejection of a preferential assignment agreement, lease or other agreement or executory contract will give rise to an unsecured claim of the Harbor Department for damages, the amount of which in the case of a preferential assignment agreement or lease is limited by the United States Bankruptcy Code generally to the

amounts unpaid prior to bankruptcy plus the greater of (i) one year of rent or (ii) 15% of the total remaining lease payments, not to exceed three years. However, the amount ultimately received in the event of a rejection of a preferential assignment agreement or lease could be considerably less than the maximum amounts allowed under the United States Bankruptcy Code.

In addition, payments made by a tenant in bankruptcy within 90 days of filing a bankruptcy case could be deemed to be an “avoidable preference” under the United States Bankruptcy Code and thus subject to recapture by the debtor or its trustee in bankruptcy.

During the pendency of a bankruptcy proceeding, a debtor tenant may not, absent a court order, make any payments to the Harbor Department on account of goods and services provided prior to the bankruptcy. Thus, the Harbor Department’s stream of payments from a debtor tenant would be interrupted to the extent of pre-petition goods and services, including accrued tariffs and rents.

In general, risks associated with bankruptcy include risks of substantial delay in payment or of non-payment and the risk that the Board may not be able to enforce any of its remedies under the agreements with a bankrupt tenant.

With respect to a tenant in bankruptcy proceedings in a foreign country, the Board is unable to predict what types of orders and/or relief could be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States.

Should a significant number of the parties to the major revenue producing property agreements file for bankruptcy protection, Revenues received by the Harbor Department could be materially adversely impacted and this could have an adverse impact on the Harbor Department’s ability to pay debt service on the Series 2020 Senior Bonds. There may be other possible effects of a bankruptcy of a tenant that could result in delays or reductions in payments on the Series 2020 Senior Bonds. Regardless of any specific adverse determinations in a tenant bankruptcy proceeding, the fact of a tenant bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2020 Senior Bonds.

With respect to the Hanjin bankruptcy filing in August 2016, amounts due under the preferential assignment agreement with Total Terminals were paid to the Harbor Department on time and in the full amount.

Effect of City Bankruptcy

The City is able to file for bankruptcy under Chapter 9 of the United States Bankruptcy Code. Should the City become the debtor in a bankruptcy case, the holders of the Series 2020 Senior Bonds will not have a lien on Revenues received by the City after the commencement of the bankruptcy case unless the bankruptcy court determines that Revenues constitute “special revenues” within the meaning of the United States Bankruptcy Code. “Special revenues” are defined to include receipts from the ownership, operation, or disposition of projects or systems that are primarily used or intended to be used primarily to provide transportation, utility or other services, as well as other revenues or receipts derived from particular functions of the debtor. While the Board believes that Revenues should be treated as “special revenues,” no assurance can be given that a bankruptcy court would not find otherwise. If Revenues are not “special revenues,” there could be delays or reductions in payments on the Series 2020 Senior Bonds. Even if a court determines that Revenues are not “special revenues,” the Harbor Department will be able to use Revenues to pay operation and maintenance costs of the Port, notwithstanding any provision of the Senior Resolution or any other agreement to the contrary.

There may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Series 2020 Senior Bonds. The Board cannot predict what types of orders and/or relief may be granted by a bankruptcy court that could have a material adverse effect on the Harbor Department’s receipt or application of Revenues. Regardless of any specific adverse determinations in a City bankruptcy proceeding,

the fact of a City bankruptcy proceeding or of City financial difficulties could have an adverse effect on the liquidity and market value of the Series 2020 Senior Bonds.

Impact of Labor Negotiations

Protracted negotiations in 2014 and 2015 between the ILWU and the Association, although not involving any employees of the Harbor Department, had a compounding effect on congestion issues that had slowed down container cargo movement through San Pedro Bay Ports from September 2014 through February 2015. The Association and the ILWU reached a tentative agreement on February 20, 2015 which was approved by ILWU delegates on May 22, 2015. Harbor Department revenues were temporarily impacted in January and February 2015 as a result of the protracted negotiations and other congestion factors. The Harbor Department cannot predict with any certainty the extent to which any future failure of the ILWU and the Association to reach contractual agreements may lead to future work slowdowns or work stoppages. Such negotiations, slowdowns or work stoppages could have a material adverse impact on Revenues. See “THE PORT OF LONG BEACH—Stevedoring and Cargo Handling.”

Remedies Upon Default

If an event of default occurs under the Senior Resolution, the bondholders are not permitted to accelerate the payment of the principal of and interest on the Senior Bonds (including the Series 2020 Senior Bonds), and, therefore, the bondholders may be required to make a separate claim for each semiannual payment not paid. However, as discussed above under “OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations (2014 Subordinate TIFIA Loan and Subordinate Revolving Obligations), the 2014 Subordinate TIFIA Loan Agreement and the Subordinate Revolving Obligations Credit Agreement permit the 2014 Subordinate TIFIA Lender and the Subordinate Revolving Obligations Bank, respectively, to accelerate payments due the 2014 Subordinate TIFIA Lender and the Subordinate Revolving Obligations Bank upon the occurrence of certain events of default set forth in each of the 2014 Subordinate TIFIA Loan Agreement and the Subordinate Revolving Obligations Credit Agreement.

Pension and Post-Retirement Benefits

As described in “FINANCIAL DATA—Retirement Programs,” eligible employees of the Harbor Department participate with the City in a pension plan administered by CalPERS. The Harbor Department anticipates that the City’s (and the Harbor Department’s) required contribution rate will continue to increase in amounts that may or may not be material, depending on a variety of actuarial factors, and which the Harbor Department cannot predict with any certainty.

Potential Limitation of Tax Exemption of Interest on Series 2020 Senior Bonds

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Series 2020 Senior Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986, as amended, or court decisions may also cause interest on the Series 2020 Senior Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Internal Revenue Code of 1986, as amended, or court decisions may also affect the market price for, or marketability of, the Series 2020 Senior Bonds. Prospective purchasers of the Series 2020 Senior Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. See “TAX MATTERS—Changes in Federal and State Tax Law.”

Forward-Looking Statements

This Official Statement contains statements relating to future results that are “forward-looking statements.” When used in this Official Statement, the words “plan,” “expect,” “estimate,” “budget,” “project,” “forecast,” “will likely result,” “may,” “are expected to,” “will continue,” “is anticipated,” “intend” or other similar words or expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements.

The forward-looking statements herein are based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including carriers, customers, suppliers and competitors, among others, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City, the Harbor Department and the Board. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

LITIGATION

No Litigation Relating to the Series 2020 Senior Bonds

There is no controversy of any nature now pending against the City or the Board or to the knowledge of officers of the City or members of the Board threatened, seeking to restrain or enjoin the sale, issuance or delivery of the Series 2020 Senior Bonds or in any way contesting or affecting the validity of the Series 2020 Senior Bonds or any proceedings of the City or the Board taken with respect to the issuance or sale thereof, or the pledge or application of the Revenues, and any other monies or securities provided for the payment of the Series 2020 Senior Bonds or the use of the Series 2020 Senior Note proceeds.

Litigation Relating to the Harbor Department and the Port

General. From time to time, the Harbor Department is a party to litigation and is subject to claims arising out of its normal course of business and its tenants’ operations. In actions brought against the Harbor Department’s tenants whereby the Harbor Department is also named as a party to the action, the Harbor Department usually requires the tenant to defend and indemnify the Harbor Department. Additionally, on the advice of counsel, the Harbor Department generally establishes reserves against such lawsuits and claims that are deemed to have merit. At this time, the management of the Harbor Department is of the opinion that if any lawsuits and claims, pursuant to which the Harbor Department is currently a named party, are concluded adversely to the Harbor Department, they will not have material adverse effect on the Harbor Department’s financial condition.

Fireboat Litigation. On October 27, 2017, the City, acting by and through the Board, filed a complaint in the Superior Court of California, County of Los Angeles, against Foss Maritime Company (“Foss”), for, among other things, breach of contract in connection with the late construction and delivery of two new fireboats to be used at the Port. The Harbor Department is seeking liquidated damages of approximately \$10.2 million. On July 26, 2018, Foss filed an amended cross-complaint against the Harbor Department seeking at least \$43.1 million of damages relating to the two fireboats and lost business opportunities. As of the date of this Official Statement, the Harbor Department cannot predict the ultimate outcome of this litigation.

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel to the City, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2020 Senior Bonds is excluded from gross income for federal income tax purposes, except for interest on any Series 2020 Senior Bond for any period during which such Series 2020 Senior Bond is held by a “substantial user” of the facilities refinanced by the Series 2020 Senior Bonds or by a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is further of the opinion that (a) interest on the Series 2020A Senior Bonds is not an item of tax preference for purposes of the federal alternative minimum tax, and (b) interest on the Series 2020B Senior Bonds constitutes an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinions described in the preceding sentences assume the accuracy of certain representations and compliance by the City, acting by and through the Board, with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2020 Senior Bonds. Failure to comply with such requirements could cause interest on the Series 2020 Senior Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2020 Senior Bonds. The City, acting by and through the Board, will covenant to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2020 Senior Bonds.

Bond Counsel is further of the opinion that interest on the Series 2020 Senior Bonds is exempt from present State of California personal income taxes.

Special Considerations With Respect to the Series 2020 Senior Bonds

The accrual or receipt of interest on the Series 2020 Senior Bonds may otherwise affect the federal income tax liability of the owners of the Series 2020 Senior Bonds. The extent of these other tax consequences will depend upon such owner’s particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2020 Senior Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2020 Senior Bonds.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2020 Senior Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2020 Senior Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the various state legislatures that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the

market value of the Series 2020 Senior Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2020 Senior Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2020 Senior Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2020 Senior Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2020 Senior Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Tax Treatment of Original Issue Premium

The Series 2020A Senior Bonds maturing on May 15, 20__ through, and including, May 15, 20__, and the Series 2020B Senior Bonds maturing on May 15, 20__ through, and including, May 15, 20__ (collectively, the “Premium Series 2020 Senior Bonds”) are being sold at a premium. An amount equal to the excess of the issue price of a Series 2020 Senior Bond over its stated redemption price at maturity constitutes premium on such Series 2020 Senior Bond. An initial purchaser of a Premium Series 2020 Senior Bond must amortize any premium over such Premium Series 2020 Senior Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Series 2020 Senior Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser’s basis in such Premium Series 2020 Senior Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Series 2020 Senior Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Series 2020 Senior Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Series 2020 Senior Bond.

Tax Treatment of Original Issue Discount

The Series 2020A Senior Bonds maturing on May 15, 20__ through, and including, May 15, 20__, and the Series 2020B Senior Bonds maturing on May 15, 20__ through, and including, May 15, 20__ (collectively, the “Discount Series 2020 Senior Bonds”) are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Series 2020 Senior Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described under “—General” above.

The amount of original issue discount which is treated as having accrued with respect to such Discount Series 2020 Senior Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Series 2020 Senior Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Series 2020 Senior Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Series 2020 Senior Bond, on days which are determined by reference to the maturity date of such Discount Series 2020 Senior Bond. The amount treated as original issue discount on such Discount Series 2020 Senior Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Series 2020 Senior Bond (determined by compounding at

the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Series 2020 Senior Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Series 2020 Senior Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Series 2020 Senior Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Discount Series 2020 Senior Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Series 2020 Senior Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Series 2020 Senior Bond.

Recognition of Income Generally. Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. The rule generally applies to taxable years after 2017, except that in the case of income from a debt instrument having original issue discount, the rule does not apply until taxable years after 2018. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the Discount Series 2020 Senior Bonds under the Code.

LEGAL MATTERS

The validity of the Series 2020 Senior Bonds and certain other legal matters are subject to the approving opinion of Kutak Rock LLP, Bond Counsel to the City. A complete copy of the proposed form of Bond Counsel's opinion is contained in Appendix C hereto. As Bond Counsel, Kutak Rock LLP undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain matters will be passed upon for the City by the City Attorney of the City of Long Beach. Certain legal matters in connection with the Official Statement will be passed upon by Hawkins Delafield & Wood LLP, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Nixon Peabody LLP. All of the fees of Bond Counsel, Disclosure Counsel and Underwriters' Counsel with regard to the issuance of the Series 2020 Senior Bonds are contingent upon the issuance and delivery of the Series 2020 Senior Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Upon delivery of the Series 2020 Senior Bonds, Samuel Klein and Company, as the Verification Agent, will deliver a report stating that it has verified the mathematical accuracy of the computations contained in the provided schedules to determine that the amounts to be held in the respective Escrow Funds will be sufficient to pay the redemption price of and interest on the Refunded Bonds on May 15, 2020. See "PLAN OF REFUNDING."

RATINGS

Fitch Ratings ("Fitch") and Moody's Investors Service Inc. ("Moody's") have assigned long-term ratings of "[____]" ([____] outlook), and "[____]" ([____] outlook), respectively, to the Series 2020 Senior Bonds. Such ratings reflect only the views of such organizations and any explanation of the significance of such ratings may only be obtained from Fitch and Moody's, respectively. The City and the Harbor Department furnished Fitch and Moody's certain information and material concerning the Series 2020 Senior Bonds, the Harbor Department and the Port. Generally, rating agencies base their ratings on such information and material, and on investigations, studies and assumptions made by the rating agencies themselves. There is no assurance

that a rating given will remain in effect for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency, if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the ratings might have an adverse effect on the market price or marketability of the Series 2020 Senior Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

UNDERWRITING

The Series 2020 Senior Bonds are being purchased by Citigroup Global Markets Inc., Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC and Stifel, Nicolaus & Company, Incorporated (the “Underwriters”) from the City, acting by and through the Board, at a price of \$[_____] (representing the principal amount of the Series 2020 Senior Bonds, plus an original issue premium of \$[_____] and less an underwriters’ discount of \$[_____]), subject to the terms of a Bond Purchase Agreement, dated [_____] 2020 (the “Bond Purchase Agreement”), between Citigroup Global Markets Inc., on its own behalf and on behalf of the Underwriters, and the City, acting by and through the Board.

The Bond Purchase Agreement provides that the Underwriters will purchase all of the Series 2020 Senior Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions. The initial public offering prices of the Series 2020 Senior Bonds set forth on the inside front cover page hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Series 2020 Senior Bonds into unit investment trusts or money market funds at prices lower than the public offering prices stated on the inside front cover page hereof.

The Underwriters have provided the following two paragraphs for inclusion in the Official Statement.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

Citigroup Global Markets Inc., an underwriter of the Series 2020 Senior Bonds, has provided the following paragraph for inclusion in the Official Statement.

Citigroup Global Markets Inc., an underwriter of the Series 2020 Senior Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

MUNICIPAL ADVISOR

The Board has retained Public Resources Advisory Group, Los Angeles, California, as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Series 2020 Senior Bonds. Except

with respect to certain debt service numbers supplied by the Municipal Advisor and included in this Official Statement, the Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Certain fees of the Municipal Advisor are contingent upon the issuance and delivery of the Series 2020 Senior Bonds.

CONTINUING DISCLOSURE

At the time of issuance of the Series 2020 Senior Bonds, the City, acting by and through the Board, will execute a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), which will provide for disclosure obligations on the part of the Harbor Department. Under the Continuing Disclosure Certificate, the City, acting by and through the Board, will covenant for the benefit of Owners and Beneficial Owners of the Series 2020 Senior Bonds to provide certain financial information and operating data relating to the Board, the Harbor Department and the Port by April 30 of each year (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Listed Events”). The Annual Reports and the notices of Listed Events will be filed with the MSRB through its EMMA System. Currently the Harbor Department’s Annual Report is filed as part of the City’s required continuing disclosure filings. See “APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants will be made in order to assist the Underwriters in complying with Rule 15c2-12.

The City has not failed in the previous five years to comply in all material respects with any previous undertakings with regard to the Rule to provide annual reports or notices of enumerated events.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly stated, are set forth as such and not representation of fact. No representation is made that any of the opinions of estimates will be realized. See “INTRODUCTION—Forward-Looking Statements” and “CERTAIN INVESTMENT CONSIDERATIONS—Forward-Looking Statements.”

The foregoing and subsequent summaries or descriptions of provisions of the Series 2020 Senior Bonds, the Master Senior Resolution, the Twenty-Third Supplemental Senior Resolution, the Fiscal Agent Agreement, the 2014 Subordinate TIFIA Loan Agreement, the Sixteenth Supplemental Senior Resolution and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize and describe all of the provisions thereof, and reference should be made to said documents for full and complete statements of their provisions. Copies of such documents are available for review at the offices of the Harbor Department which are located at Port of Long Beach, 415 West Ocean Boulevard, Long Beach, California 90802, Attention: Managing Director, Finance & Administration, and Director of Finance.

The execution and delivery of this Official Statement has been duly authorized by the Board.

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

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

APPENDIX A

**HARBOR DEPARTMENT OF THE CITY OF LONG BEACH
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR RESOLUTION

The following is a brief summary of certain provisions of the Master Senior Resolution and the Twenty-Third Supplemental Resolution not previously discussed in this Official Statement. Such summary is not intended to be definitive, and reference is made to the Master Senior Resolution and the Twenty-Third Supplemental Resolution in their entirety for the complete terms thereof. Capitalized terms used in this summary which are not otherwise defined in this Official Statement have the meanings ascribed to such terms in the Master Senior Resolution or the Twenty-Third Supplemental Resolution. These summaries incorporate the Master Senior Resolution Amendments, which are described in Appendix E hereto, and which will become effective upon the issuance of the Series 2020 Senior Bonds and the defeasance of the Series 2010 Senior Bonds with the proceeds of the Series 2020 Senior Bonds.

CERTAIN DEFINITIONS

MASTER SENIOR RESOLUTION

TWENTY-THIRD SUPPLEMENTAL SENIOR RESOLUTION

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E

AMENDMENTS TO MASTER SENIOR RESOLUTION

Pursuant to Resolution No. HD-2762 adopted by the Board on May 5, 2014 (the “Sixteenth Supplemental Senior Resolution”), the City, acting by and through the Board, amended certain provisions of the Master Senior Resolution (the “Master Senior Resolution Amendments”). By the purchase and acceptance of the Series 2020 Senior Bonds, the Owners and Beneficial Owners of the Series 2020 Senior Bonds are deemed to have consented to the Master Senior Resolution Amendments. The Master Senior Resolution Amendments will become effective upon the issuance of the Series 2020 Senior Bonds and the defeasance of the Series 2010 Senior Bonds with the proceeds of the Series 2020 Senior Bonds.

The Master Senior Resolution Amendments are set forth in this Appendix E. Additions to the Master Senior Resolution are shown in **bold and double underline** and deletions are shown in ~~strike through~~.

Section 1.02 – Definitions.

The following definitions are to be amended or added to read as follow:

- (a) The definition of “Assumed Debt Service”

“Assumed Debt Service” means, with respect to any Excluded Principal Payment, for any Fiscal Year (or other designated 12-month period) on or after the ~~Excluded Principal Payment~~ date **the Board determines to treat the principal of a Series of Bonds as Excluded Principal Payments,** the sum of the amount of principal and interest which would be payable in each such Fiscal Year (or other designated 12-month period) if that Excluded Principal Payment were amortized for a period specified by the Board (no greater than thirty (30) years from the **stated payment** date of such Excluded Principal Payment) on a substantially level debt service basis, calculated based on a fixed interest rate equal to ~~the rate at which the City, acting by and through the Board, could borrow (as of the time of calculation) for such period, as certified by a certificate of a financial advisor or investment banker delivered to the Board, who may rely conclusively on such certificate, within thirty (30) days of the date of calculation~~ **The Bond Buyer 25-Revenue Bond Index, or any successor or replacement index, for the last week of the month immediately preceding the date of calculation as published in The Bond Buyer, or if that index is no longer published, another similar index selected by the Board;** provided that with respect to any Excluded Principal Payment secured pursuant to a credit or liquidity instrument which, if drawn upon, would create a repayment obligation which has a lien on Revenues on a parity with the lien of the Bonds, Assumed Debt Service shall be the principal and interest which would be payable under the credit or liquidity instrument in the event that the credit or liquidity instrument were drawn upon to pay or purchase all of such Bonds, then Outstanding.

- (b) The definition of “Event of Default”

“Event of Default” has the meaning set forth in Section 10.01A hereof.

- (c) The definition of “Maximum Annual Debt Service”

“Maximum Annual Debt Service” means the greatest amount of principal and interest becoming due and payable on all Bonds in any Fiscal Year including the Fiscal Year in which the calculation is made or any subsequent Fiscal Year; provided, however, that for the purposes of computing Maximum Annual Debt Service:

- (a) Excluded Principal Payments and interest thereon shall be excluded from such calculation and Assumed Debt Service shall be included in such calculation;

(b) if the Bonds are Variable Rate Indebtedness and (i) are secured pursuant to a credit or liquidity instrument ~~which, if drawn upon, could create a repayment obligation which has a lien on Revenues subordinate to the lien of the Bonds;~~ or (ii) are not secured by any credit or liquidity instrument, the interest rate on such Bonds for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to an interest rate calculated, by multiplying 1.20 times the average SIFMA Index for the six-month period ended no more than one month preceding the date of calculation ~~interest rate on the Bonds on the date of calculation or, if such Bonds are not currently Outstanding, 1.20 times the interest rate that such Bonds would bear if they were Outstanding on such date, as certified by a certificate of a financial advisor or investment banker delivered to the Board;~~

~~(c) if the Bonds are Variable Rate Indebtedness and are secured pursuant to a credit or liquidity instrument which, if drawn upon, could create a repayment obligation which has a lien on Revenues on a parity with the lien of the Bonds, the interest rate on such Bonds for periods when the actual interest rate cannot yet be determined shall be assumed to be equal to the greater of the maximum rate on the credit or liquidity instrument and the maximum rate on the Bonds;~~

~~(c)(4)~~ principal and/or interest payments on Bonds shall be excluded (i) to the extent such payments are to be paid from amounts on deposit with the Treasurer, any Fiscal Agent or any other fiduciary in an escrow specifically therefor, ~~and~~ or (ii) to the extent that such interest payments are to be paid from the proceeds of Bonds held by the Treasurer, the Fiscal Agent or any other fiduciary as capitalized interest specifically to pay such interest;

~~(d)(e)~~ in determining the principal amount due in each Fiscal Year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made in accordance with any amortization schedule established for such debt, including any Mandatory Sinking Account Payments or any scheduled redemption or payment of Bonds on the basis of Accreted Value, and for such purpose, the redemption payment or payment of Accreted Value shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Bond; and

~~(e)(f)~~ if any interest rate swap agreement is in effect with respect to, and is payable on a parity with the Bonds to which it relates, no amounts payable under such interest rate swap agreement shall be included in the calculation of Maximum Annual Debt Service unless the sum of (i) interest payable on such Bonds; plus (ii) amounts payable under such interest rate swap agreement; less (iii) amounts receivable under such interest rate swap agreement, are expected to be greater than the interest payable on the Bonds to which it relates, then, in such instance the amount of such payments expected to be made that exceed the interest expected to be paid on the Bonds shall be included in such calculation.

(d) The definition of “Port Facilities” or “Port Facility”

“Port Facilities” or “Port Facility” means a facility or group of facilities or category of facilities which constitute or are part of the Port (excluding privately owned or leased property, except for any portion thereof which is governmentally owned or leased and which is a source of Revenues).

(e) The definition of “Revenue”

“Revenues” means all revenues and all money secured or collected for the benefit of and received by the Board from or arising out of the use or operation of the Port, including, without limitation, all tolls, charges, rentals, compensations or fees required to be paid for services, franchises or licenses, as permitted or required by the Charter or otherwise by law, ordinance or order, to the City

for the operation of any public service utility upon lands and waters under the control and management of the Harbor Department and all investment earnings credited to the Harbor Revenue Fund and not required to be credited to a sub-fund, excepting therefrom **(i) Special Facility Revenues, and (ii)** any revenues arising from any lease, contract or other agreement providing for the drilling for, developing, producing, extracting, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances from the tide and submerged lands granted to the City by the State.

(f) The definition of “SIFMA Index”

“SIFMA Index” means the “SIFMA Municipal Swap Index” for each applicable day as announced by Municipal Market Data. If the SIFMA Index is no longer published, then “SIFMA Index” means another similar index as selected by the Board.

(g) The definition of “Special Facilities” or “Special Facility”

“Special Facilities” or “Special Facility” means, with respect to the Port, a facility or group of facilities or improvements or category of facilities or improvements which are designated as a Special Facility or Special Facilities pursuant to the provisions of Section 6.12 hereof.

(h) The definition of “Special Facilities Revenue”

“Special Facilities Revenue” means the contractual payments and all other revenues derived by or available to or receivable by the Board from a Special Facility, which are pledged to secure Special Facility Obligations.

(i) The definition of “Special Facility Obligations”

“Special Facility Obligations” means bonds or other debt instruments issued pursuant to a resolution, indenture or other agreement, other than this Master Resolution, to finance Special Facilities and which, except as otherwise provided in Section 6.12 hereof, are not secured by nor payable from a lien on and pledge of the Revenues but which are secured by revenues derived from Special Facilities located at the Port.

(j) The definition of “United States Bankruptcy Code”

“United States Bankruptcy Code” means Title 11 U.S.C., Section 101 et seq., as amended or supplemented from time to time, or any successor federal act.

Section 6.12 – Special Facilities and Special Facility Obligations.

Section 6.12 will be added to the Master Senior Resolution.

Section 6.12. Special Facilities and Special Facility Obligations. The City, acting by and through the Board, shall be permitted to designate new or existing Port Facilities as Special Facilities as permitted in this Section 6.12. The City, acting by and through the Board, may, from time to time, and subject to the terms and conditions of this Section 6.12, (a) designate a separately identifiable existing facility or improvement or planned facility or improvement as a “Special Facility,” (b) pursuant to a resolution, indenture or other agreement, other than this Master Resolution and without a pledge of any Revenues (except as otherwise provided in (d) below), incur debt primarily for the purpose of acquiring, constructing, renovating or improving or providing financing or refinancing to a third party to acquire, construct, renovate or improve,

such facility or improvement, (c) provide that the contractual payments derived from or related to such Special Facility, together with other income and revenues available to the Board from such Special Facility to the extent necessary to make the payments required by clause (1) of the second succeeding paragraph, be “Special Facilities Revenue” and not included as Revenues, unless otherwise provided in any Supplemental Resolution, and (d) provide that the debt so incurred shall be a “Special Facility Obligation” and the principal of and interest thereon shall be payable solely from the Special Facilities Revenue and the proceeds of such Special Facility Obligation set aside exclusively to pay debt service on such Special Facility Obligation (except the Board may, in its sole discretion, determine to make Revenues or such other moneys not included in Revenues available (through a specific pledge or otherwise and subject to any covenants or other provisions of this Master Resolution (including, but not limited to, Sections 3.02, 6.10 and 6.11 hereof) or such other resolutions, indentures or agreements of the Board) to the payment of the principal of and interest on such Special Facility Obligation in such amounts and at such times as may be agreed to by the Board). The City, acting by and through the Board, may from time to time refinance any such Special Facility Obligations with other Special Facility Obligations.

Special Facility Obligations shall be payable as to principal, redemption premium, if any, and interest solely from (i) Special Facilities Revenue, which shall include contractual payments derived by the Board under and pursuant to a contract (which may be in the form of a lease) relating to a Special Facility by and between the City, acting by and through the Board, and another Person, either public or private, as shall undertake the operation of a Special Facility, (ii) proceeds of such Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations, if any, and (iii) such Revenues or other moneys not included in Revenues made available by the Board as provided in clause (d) of the previous paragraph, if any.

No Special Facility Obligations shall be issued by the City, acting by and through the Board, unless there shall have been filed with each Fiscal Agent a certificate of the President of the Board or the Executive Director stating that:

(1) _____ The estimated Special Facilities Revenue pledged to the payment of the Special Facility Obligations, the proceeds of such Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations, if any, and such Revenues or other moneys made available by the Board pursuant to clause (d) of the first paragraph of this Section 6.12, if any, will be at least sufficient, to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Board and all sinking fund, reserve or other payments required by the resolution or indenture authorizing the Special Facility Obligations as the same become due; and

(2) _____ With respect to the designation of any separately identifiable existing Port Facilities or Port Facility as a “Special Facility” or “Special Facilities”, the estimated Revenues and Net Revenues, calculated without including the new Special Facilities Revenue, the proceeds of any Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations or any Revenues or other moneys made available by the Board pursuant to clause (d) of the first paragraph of this Section 6.12, if any, and without including any operation and maintenance expenses of the Special Facility as Maintenance Costs, will be sufficient so that the Board will be in compliance with Section 6.10 hereof during each of the first five complete Fiscal Years immediately following the anticipated closing date of such transaction or financing; and

(3) _____ No Event of Default then exists hereunder.

To the extent Special Facilities Revenue received by the Board during any Fiscal Year shall exceed the amounts required to be paid pursuant to clause (1) of the immediately preceding paragraph for such Fiscal Year, such excess Special Facilities Revenue, to the extent not otherwise encumbered or restricted, may constitute Revenues as determined by the Board.

Notwithstanding any other provision of this Section 6.12, at such time as the Special Facility Obligations issued for a Special Facility including Special Facility Obligations issued to refinance Special Facility Obligations are fully paid or otherwise discharged, all revenues of the Board from such facility shall be included as Revenues.

Section 8.01(A) – Amendments Permitted.

The following paragraph will be added immediately following the last paragraph of Section 8.01(A) of the Master Senior Resolution.

For the purposes of this Section 8.01(A), the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the City, acting by and through the Board, may consent to a modification or amendment permitted by this Section 8.01(A) in the manner provided herein and with the same effect as a consent given by the Owner of such Bonds, except that no proof of ownership shall be required; provided, that this provision of Section 8.01(A) shall be disclosed prominently in the offering document, if any, for each Series of Bonds issued pursuant to this Master Resolution, provided that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the offering document prepared in connection with the primary offering of the Bonds of such Series by the City, acting by and through the Board.

ARTICLE X-A – Defaults and Remedies

Article X-A will be added to the Master Senior Resolution.

ARTICLE X-A

DEFAULTS AND REMEDIES

Section 10.01A. Events of Default. Each of the following events shall constitute and is referred to in this Master Resolution as an “Event of Default”:

(a) a failure to pay the principal of or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption; or

(b) a failure to pay any installment of interest on any of the Bonds when such interest shall become due and payable; or

(c) a failure to pay the purchase price of any Bond when such purchase price shall be due and payable upon an optional or mandatory tender date as provided in a Supplemental Resolution; or

(d) a failure by the Board, acting on behalf of the City, to observe and perform any covenant, condition, agreement or provision (other than as specified in paragraphs (a), (b) and (c) of this Section 10.01A) that are to be observed or performed by the Board, on behalf of the City, or the Department and which are contained in this Master Resolution or a Supplemental Resolution, which failure, shall continue for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Board by the Owners of 25% or more of the principal amount of the Bonds then Outstanding, unless the Owners of Bonds in a principal amount not less than the principal amount of Bonds the Owners of which gave such notice, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Owners of such principal amount of Bonds shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Board, on behalf of the City, within such period and is being diligently pursued until such failure is corrected; or

(e) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Chapter 9 of the United States Bankruptcy Code, or other proceedings for relief under any federal or state bankruptcy law or similar law for the relief of debtors are instituted by or against the City or the Department and, if instituted against the City or the Department, said proceedings are consented to or are not dismissed within sixty (60) days after such institution; or

(f) the occurrence of any other Event of Default as is provided in a Supplemental Resolution.

If, on any date on which payment of principal of or interest on the Bonds is due and sufficient moneys are not on deposit with the Fiscal Agent to make such payment, the Fiscal Agent shall give telephonic notice, followed by written confirmation, of such insufficiency to the Department.

Section 10.02A. Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Owners of not less than 25% of the principal amount of the Bonds then Outstanding, including but not limited to a trustee or trustees therefor, shall:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners, and require the Board, on behalf of the City, to carry out any agreements with or for the benefit of the Owners and to perform its duties under the Law or any other law to which it is subject and this Master Resolution and any applicable Supplemental Resolution;

(ii) bring suit upon the Bonds;

(iii) commence an action or suit in equity to require the Board, on behalf of the City, to account as if it were the trustee of an express trust for the Owners;

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners; or

(v) take such other actions as are provided for in the Supplemental Resolution.

(b) Except as otherwise provided in Section 10.10A hereof or in a Supplemental Resolution, a credit facility, a liquidity facility or such other agreement or instrument entered into by the City, acting by and through the Board, in no event, upon the occurrence and continuation of an Event of Default described in Section 10.01A hereof, shall the Owners, a credit facility provider, a liquidity facility provider or any other party have the right to accelerate the payment of principal of and interest on the Bonds Outstanding.

Section 10.03A. Restoration to Former Position. In the event that any proceeding taken by the Owners to enforce any right under this Master Resolution shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Owners, then the City, the Board and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Owners shall continue as though no such proceeding had been taken.

Section 10.04A. Limitation on Right To Institute Proceedings. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on such Bonds, unless Owners of 25% or more of the principal amount of the Bonds then Outstanding shall have given written notice of an Event of Default as hereinabove provided; it being understood and intended that no one or more of the Owners shall have any right in any manner whatever by their action to affect, disturb or prejudice the security of this Master Resolution, or to enforce any right hereunder or under the Bonds, except in the manner herein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners.

Section 10.05A. No Impairment of Right To Enforce Payment. Notwithstanding any other provision to the contrary in this Master Resolution, the right of any Owner to receive payment of the principal of and interest on such Bond or the purchase price thereof, on or after the respective due dates expressed therein and to the extent of the pledge of Revenues and other security provided for the Bonds, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Owner.

Section 10.06A. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth herein to the taking of any remedy to enforce the provisions of this Master Resolution or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section 10.06A.

Section 10.07A. No Waiver of Remedies. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article X-A to the Owners may be exercised from time to time and as often as may be deemed expedient.

Section 10.08A. Application of Moneys. If an Event of Default shall occur and be continuing, all amounts then held or any moneys received by any receiver or by any Owner pursuant to any right given or action taken under the provisions of this Article X-A (which shall

not include moneys provided through a credit facility, which moneys shall be restricted to the specific use for which such moneys were provided), after payment of the costs and expenses of the proceedings resulting in the collection of such moneys by any receiver, shall be applied as follows: (a) first, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the rate per annum as provided in any Supplemental Resolution, as the case may be, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, and (b) second, to the payment to the persons entitled thereto of the unpaid principal amount of any of the Bonds which shall have become due with interest on such Bonds at such rate as provided in a Supplemental Resolution from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Bonds on any particular date determined to be the payment date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section 10.08A, such moneys shall be applied at such times, and from time to time, as each Fiscal Agent shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever a Fiscal Agent shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. A Fiscal Agent shall give notice of the deposit with it of any such moneys and of the fixing of any such date by mail to all Owners and shall not be required to make payment to any Owner until such Bonds shall be presented to such Fiscal Agent for appropriate endorsement or for cancellation if fully paid.

Section 10.09A. Severability of Remedies. It is the purpose and intention of this Article X-A to provide rights and remedies to the Owners, which may be lawfully granted under the provisions of the Law and other applicable law, but should any right or remedy herein granted be held to be unlawful, the Owners shall be entitled, as above set forth, to every other right and remedy provided in this Master Resolution or by applicable law.

Section 10.10A. Additional Events of Default and Remedies. So long as any particular Series of Bonds is Outstanding, the Events of Default and remedies as set forth in this Article X-A may be supplemented with additional events of default and remedies as set forth in a Supplemental Resolution under which such Series of Bonds is issued.

Section 10.12 – Proceedings Constitute Contract.

Section 10.12 of the Master Senior Resolution will be amended

Section 10.12. Proceedings Constitute Contract. The provisions of this Resolution shall constitute a contract between the City, acting by and through the Board, and the Bondholders of such Bonds, and the provisions hereof and thereof shall be enforceable by any Bondholder for the equal benefit and protection of all Bondholders similarly situated by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is now or may hereafter be authorized under the laws of the State in any court of competent jurisdiction.

~~No remedy conferred hereby upon any Bondholder is intended to be exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by the Revenue Bond Law of 1941 or any other law of the State. No waiver of any default or breach of duty or contract by any Bondholder shall affect any subsequent default or breach of duty or contract or shall impair any rights or remedies on said subsequent default or breach. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed as a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Bondholders may be enforced and exercised as often as may be deemed expedient. In case any suit, action or proceeding to reinforce any right or exercise any remedy shall be brought or taken and the Bondholder shall prevail, said Bondholder shall be entitled to receive from the Harbor Revenue Fund reimbursement for reasonable costs, expenses, outlays and attorneys' fees and should said suit, action or proceeding be abandoned, or be determined adversely to the Bondholder then, and in every such case, the City and the Bondholder shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.~~

After the issuance and delivery of the Bonds of any Series, this Resolution shall be irrevocable, but shall be subject to modification to the extent and in the manner provided in this Resolution, but to no greater extent and in no other manner.

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the caption “—General” below has been provided by DTC. Neither the City nor the Board make any representations as to the accuracy or the completeness of such information. The Beneficial Owners of the Series 2020 Senior Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NONE OF THE CITY, THE BOARD OR THE FISCAL AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2020 SENIOR BONDS UNDER THE SENIOR RESOLUTION OR THE FISCAL AGENT AGREEMENT, (C) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE OWNER OF THE SERIES 2020 SENIOR BONDS; (D) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF SERIES 2020 SENIOR BONDS; OR (E) ANY OTHER MATTER REGARDING DTC.

General

DTC will act as securities depository for the Series 2020 Senior Bonds. The Series 2020 Senior Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2020 Senior Bond certificate will be issued for each maturity the Series 2020 Senior Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2020 Senior Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Senior Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2020 Senior Bond (“Beneficial Owner”) is in turn to be recorded

on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Senior Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2020 Senior Bonds, except in the event that use of the book-entry system for the Series 2020 Senior Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Senior Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020 Senior Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Senior Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Senior Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020 Senior Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Senior Bonds, such as tenders, defaults and proposed amendments to the Series 2020 Senior Bond documents. For example, Beneficial Owners of Series 2020 Senior Bonds may wish to ascertain that the nominee holding the Series 2020 Senior Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Senior Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020 Senior Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2020 Senior Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Fiscal Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Fiscal Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Fiscal Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020 Senior Bonds at any time by giving reasonable notice to the City or the Fiscal Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Series 2020 Senior Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Series 2020 Senior Bonds will be printed and delivered to DTC.

The information in this Appendix F concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but none of the City, the Board, the Harbor Department of the Underwriters take any responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2020 SENIOR BONDS AND WILL NOT BE RECOGNIZED BY THE FISCAL AGENT AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

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RESOLUTION NO. HD-_____

**RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF
THE CITY OF LONG BEACH, CALIFORNIA
AUTHORIZING THE ISSUANCE AND SALE OF
\$[PAR] AGGREGATE PRINCIPAL AMOUNT
OF HARBOR REVENUE REFUNDING BONDS OF SAID CITY; AND
PROVIDING THE TERMS AND CONDITIONS OF SAID BONDS**

(TWENTY-THIRD SUPPLEMENTAL RESOLUTION)

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RESOLUTION NO. HD-_____

**Resolution of the Board of Harbor Commissioners of
The City of Long Beach, California
Authorizing the Issuance and Sale of
\$[PAR] Aggregate Principal Amount
of Harbor Revenue Refunding Bonds of Said City; and
Providing the Terms and Conditions of Said Bonds**

(TWENTY-THIRD SUPPLEMENTAL RESOLUTION)

WHEREAS, the City of Long Beach (the “*City*”) is a city organized and existing under a charter duly and regularly adopted pursuant to the provisions of the Constitution of the State of California;

WHEREAS, pursuant to Article XII of said charter, the City, acting by and through its Board of Harbor Commissioners (the “*Board*”), is authorized to issue, on behalf of the City, revenue bonds for harbor purposes;

WHEREAS, pursuant to Resolution No. HD-1475 adopted by the Board on November 8, 1989 (together with all amendments, modifications and supplements thereto, the “*Master Resolution*”), the Board has heretofore authorized the issuance of Harbor Revenue Bonds (the “*Bonds*” or “*Senior Bonds*”) on behalf of the City by adoption of supplemental resolutions from time to time, with the payment of the principal, interest on and any redemption premiums thereon being secured by and payable solely from the Revenues (as defined in the Master Resolution) of the Port (as defined in the Master Resolution);

WHEREAS, pursuant to the Master Resolution and Resolution HD-2555 adopted by the Board on April 5, 2010, the Board, on behalf of the City, issued \$200,835,000 aggregate principal amount of Senior Bonds (the “*Series 2010A Senior Bonds*”), the proceeds of such Series 2010A Senior Bonds being utilized to finance capital improvements at the Port;

WHEREAS, pursuant to the Master Resolution and Resolution HD-2560 adopted by the Board on May 10, 2010, the Board, on behalf of the City, issued \$158,085,000 aggregate principal amount of Senior Bonds (the “*Series 2010B Senior Bonds*”), the proceeds of such Series 2010B Senior Bonds being utilized to purchase and cancel certain previously issued Senior Bonds;

WHEREAS, pursuant to Resolution No. HD-[•] adopted by the Board on January 13, 2020 (“*Resolution No. HD-[•]*”), the Board authorized the issuance and sale of the Series 2020 Senior Bonds (as defined in Resolution No. HD-[•]) pursuant to the terms and conditions of the Master Resolution and this Twenty-Third Supplemental Resolution (this “*Twenty-Third Supplemental Resolution*”);

WHEREAS, on January 14, 2020, pursuant to Resolution No. RES-20-[●], a majority of the members of the City Council approved the issuance of the Series 2020 Senior Bonds;

WHEREAS, pursuant to this Twenty-Third Supplemental Resolution, the Series 2020 Senior Bonds shall be designated as (a) City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT) (the “*Series 2020A Senior Bonds*”), and (b) City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT) (the “*Series 2020B Senior Bonds*,” and together with the Series 2020A Senior Bonds, the “*Series 2020 Senior Bonds*”);

WHEREAS, pursuant to the Bond Purchase Agreement, dated February [●], 2020 (the “*Bond Purchase Agreement*”) by Citigroup Global Markets Inc., on behalf of itself and the other Underwriters (as hereinafter defined) and accepted by the City, acting by and through the Board, an executed copy of which has been presented to this Board, the Board agreed to sell and the Underwriters agreed to purchase the Series 2020 Senior Bonds subject to the terms and conditions set forth in the Bond Purchase Agreement (an executed copy of which has been provided to this Board);

WHEREAS, public interest and necessity require that the Board proceed under Resolution No. HD-[●] and the Master Resolution to issue and sell, on behalf of the City (a) \$[PARA] aggregate principal amount of the Series 2020A Senior Bonds, and (b) \$[PARB] aggregate principal amount of the Series 2020B Senior Bonds, secured by and payable from the Revenues of the Port for the purpose of (i) current refunding and defeasing the Refunded Bonds (as hereinafter defined), and (ii) paying the costs of issuance of the Series 2020 Senior Bonds;

WHEREAS, this Twenty-Third Supplemental Resolution shall, among other things, set forth the final terms and provisions of the Series 2020 Senior Bonds as previously agreed to by the Board and the Underwriters under the Bond Purchase Agreement;

WHEREAS, there has been presented to this Board a form of Fiscal Agent Agreement to be dated the Closing Date (as hereinafter defined) (the “*Fiscal Agent Agreement*”) by and between the City, acting by and through the Board, and U.S. Bank National Association, as fiscal agent (the “*Fiscal Agent*”);

WHEREAS, there has been presented to this Board a form of Escrow Agreement to be dated the Closing Date (the “*Escrow Agreement*”), by and among the City, acting by and through the Board, U.S. Bank National Association, as fiscal agent for the Refunded Bonds, and U.S. Bank National Association, as escrow agent; and

NOW, THEREFORE, the Board of Harbor Commissioners of the City of Long Beach, California, DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01. Twenty-Third Supplemental Resolution; Determinations. This Twenty-Third Supplemental Resolution is adopted in accordance with the provisions of the Master Resolution and, among other things, sets forth the final terms and provisions of the Series 2020 Senior Bonds in accordance with Resolution No. HD-[●] and as previously agreed to by the Board and the Underwriters under the Bond Purchase Agreement. The Board hereby ratifies and approves all of the terms and conditions of the Bond Purchase Agreement.

The Board hereby determines that the issuance of the Series 2020 Senior Bonds for the purposes of current refunding and defeasing the Refunded Bonds and paying the costs of issuance of the Series 2020 Senior Bonds is advisable from an economic and financial viewpoint. The Board hereby determines that the issuance of the Series 2020 Senior Bonds, in the principal amounts hereinafter authorized is needed, together with certain other available moneys, to pay and redeem all of the Refunded Bonds, as described in Exhibit B attached hereto and pay the costs of issuance of the Series 2020 Senior Bonds.

Section 1.02. Definitions. All terms which are defined in Section 1.02 of the Master Resolution shall, unless otherwise defined herein, have the same meanings, respectively, in this Twenty-Third Supplemental Resolution. Unless the context otherwise requires, the terms defined in this Section 1.02 shall, for all purposes of this Twenty-Third Supplemental Resolution and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and the plural forms of any of the terms herein defined. Unless otherwise defined in this Twenty-Third Supplemental Resolution, all terms used herein shall have the meanings assigned to such terms in the Master Resolution.

“*Administrative Officer to the Board*” means the person at a given time who is the administrative officer to the Board (including any person serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position (including, but not limited to, Chief of Staff to the Board or Deputy Chief of Staff to the Board) and the officer or officers succeeding to such position as certified by the Board.

“*Authorized Board Representative*” means the President of the Board, the Vice President of the Board, the Executive Director, the Managing Director, Finance and Administration or the Director of Finance or such other officer or employee of the Board or the Department or other person which other officer, employee or person has been designated as an Authorized Board Representative by written notice delivered by the President of the Board, the Vice President of the Board, the Executive Director, the Managing Director, Finance and Administration or the Director of Finance.

“*Bond Counsel*” means such law firm of national standing in the field of public finance selected by the Board.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement, dated February [●], 2020, by Citigroup Global Markets Inc., on behalf of itself and the other Underwriters, and accepted by the City, acting by and through the Board.

“*Closing Date*” means, February [●], 2020, the date of delivery of the Series 2020 Senior Bonds to the Underwriters against payment therefor.

“*Code*” means the Internal Revenue Code of 1986, as amended, including regulations, rulings and judicial decisions promulgated thereunder.

“*Director of Finance*” means the person at a given time who is the director of finance of the Department (including any person serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position and the officer or officers succeeding to such position as certified by the Board.

“*DTC*” means The Depository Trust Company, New York, New York, and its successors and assigns.

“*Escrow Agent*” means U.S. Bank National Association and any successor appointed in accordance with the Escrow Agreement.

“*Escrow Agreement*” means the Escrow Agreement, dated the Closing Date, by and among the City, acting by and through the Board, the Refunded Bonds Fiscal Agent and the Escrow Agent.

“*Executive Director*” means the person at a given time who is the executive director of the Department (including any person serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position and the officer or officers succeeding to such position as certified by the Board.

“*Fiscal Agent*” means U.S. Bank National Association, and any successor appointed in accordance with Article VII of the Master Resolution.

“*Fiscal Agent Agreement*” means the Fiscal Agent Agreement, dated the Closing Date, by and between the City, acting by and through the Board, and the Fiscal Agent.

“*Interest Payment Date*” means each May 15 and November 15, commencing [May 15, 2020], the dates upon which interest on the Series 2020 Senior Bonds becomes due and payable.

“*Investment Securities*” means, for purposes of this Twenty-Third Supplemental Resolution, the investments set forth in the defined term “Investment Securities” under the Master Resolution, the City’s investment pool maintained by the Treasurer in accordance with the City’s adopted investment policy, and United States Treasury Certificates of Indebtedness, Notes and Bonds-State and Local Government Series; provided, however, all investments in such investment pool meet the requirements of the defined term “Investment Securities” under the Master Resolution.

“*Managing Director, Finance and Administration*” means the person at a given time who is the managing director, finance and administration of the Department (including any person

serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position and the officer of officers succeeding to such position as certified by the Board.

“*Master Resolution*” has the meaning given thereto in the third recital paragraph of this Twenty-Third Supplemental Resolution.

“*Nominee*” means the nominee of the Securities Depository, which may be the Securities Depository, as determined from time to time pursuant hereto.

“*Participant*” means those broker-dealers, banks and other financial institutions for which the Securities Depository holds certificates as securities depository.

“*President of the Board*” means the person at a given time who is the president of the Board (including any person serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position and the officer of officers succeeding to such position as certified by the Board.

“*Rebate Requirements*” means the Rebate Requirements set forth in the Tax Compliance Certificate.

“*Record Date*” means for a May 15 Interest Payment Date the preceding May 1 and for a November 15 Interest Payment Date the preceding November 1.

“*Refunded Bonds*” means, collectively, the Refunded Series 2010A Senior Bonds and the Refunded Series 2010B Senior Bonds.

“*Refunded Bonds Fiscal Agent*” means U.S. Bank National Association, and any successor.

“*Refunded Series 2010A Bonds Escrow Fund*” means the “City of Long Beach, California Harbor Revenue Bonds, Series 2010A Escrow Fund” established pursuant to the Escrow Agreement.

“*Refunded Series 2010A Senior Bonds*” means the Series 2010A Senior Bonds being current refunded and defeased with a portion of the proceeds of the Series 2020A Senior Bonds, and certain other available moneys, as set forth in Exhibit B attached hereto.

“*Refunded Series 2010B Bonds Escrow Fund*” means the “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2010B Escrow Fund” established pursuant to the Escrow Agreement.

“*Refunded Series 2010B Senior Bonds*” means the Series 2010B Senior Bonds being current refunded and defeased with a portion of the proceeds of the Series 2020B Senior Bonds, and certain other available moneys, as set forth in Exhibit B attached hereto.

“*Representation Letter*” means the Blanket Issuer Letter of Representations dated February 17, 1998 from the City to DTC.

“*Resolution*” means, collectively, the Master Resolution and this Twenty-Third Supplemental Resolution.

“*Securities Depository*” means DTC or any successor securities depository appointed by the Board pursuant to Section 2.06 hereof.

“*Series 2010A Senior Bonds*” means the “City of Long Beach, California Harbor Revenue Bonds, Series 2010A,” authorized and issued pursuant to the Master Resolution, as supplemented by the Twelfth Supplemental Resolution.

“*Series 2010A Reserve Fund*” means the “City of Long Beach, California Harbor Revenue Bonds, Series 2010A Reserve Fund” established and maintained pursuant to the provisions of the Twelfth Supplemental Resolution and the Series 2010A Trustee Services Agreement.

“*Series 2010A Trustee*” means U.S. Bank National Association, as trustee under the Series 2010A Trustee Services Agreement.

“*Series 2010A Trustee Services Agreement*” means the Trustee Services Agreement, dated as of April 1, 2010, by and between the City and the Series 2010A Trustee, executed and delivered with respect to the Series 2010A Senior Bonds.

“*Series 2010B Senior Bonds*” means the “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2010B,” authorized and issued pursuant to the Master Resolution, as supplemented by the Thirteenth Supplemental Resolution.

“*Series 2010B Reserve Fund*” means the “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2010B Reserve Fund” established and maintained pursuant to the provisions of the Thirteenth Supplemental Resolution and the Series 2010B Trustee Services Agreement.

“*Series 2010B Trustee*” means U.S. Bank National Association, as trustee under the Series 2010B Trustee Services Agreement.

“*Series 2010B Trustee Services Agreement*” means the Trustee Services Agreement, dated as of May 1, 2010, by and between the City and the Series 2010B Trustee, executed and delivered with respect to the Series 2010B Senior Bonds.

“*Series 2020A Senior Bonds*” means the “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT),” authorized and issued pursuant to the Master Resolution, as supplemented by this Twenty-Third Supplemental Resolution.

“*Series 2020B Senior Bonds*” means the “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT),” authorized and issued pursuant to the Master Resolution, as supplemented by this Twenty-Third Supplemental Resolution.

“*Series 2020 Costs of Issuance Fund*” means the “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020 Costs of Issuance Fund” established and maintained pursuant to Section 4.03 hereof.

“*Series 2020 Rebate Fund*” means the “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020 Rebate Fund” established and maintained pursuant to Section 4.04 hereof.

“*Series 2020 Senior Bonds*” means, collectively, the Series 2020A Senior Bonds and the Series 2020B Senior Bonds.

“*Tax Compliance Certificate*” means the Tax Compliance Certificate, dated the Closing Date, by the City, acting by and through the Board, as the same may be amended or supplemented in accordance with its terms, with respect to the requirements of Section 103 and Sections 141 through 150 of the Code in connection with the Series 2020 Senior Bonds.

“*Thirteenth Supplemental Resolution*” means Resolution No. HD-2560, adopted by the Board on May 10, 2010.

“*Twelfth Supplemental Resolution*” means Resolution No. HD-2555, adopted by the Board on April 5, 2010.

“*Twenty-Third Supplemental Resolution*” means this Resolution No. HD-_____, adopted by the Board on February [•], 2020, and any amendments, modifications or supplements hereto.

“*Underwriters*” means, collectively, Citigroup Global Markets Inc., Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated, or any successors thereto.

“*Vice President of the Board*” means the person at a given time who is the vice president of the Board (including any person serving in an acting or interim capacity) or such other title as the Board may from time to time assign for such position and the officer of officers succeeding to such position as certified by the Board.

ARTICLE II

THE SERIES 2020 SENIOR BONDS

Section 2.01. Authorization. The Board hereby authorizes the issuance of the Series 2020 Senior Bonds pursuant to the terms of the Resolution. There is hereby created (a) a twenty-seventh Series of Bonds issued pursuant to the Law and under the Resolution in the aggregate principal amount of \$[PARA] which Bonds shall be designated as the “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT)” and shall be Current Interest Bonds, and (b) a twenty-eight Series of Bonds issued pursuant to the Law and under the Resolution in the aggregate principal amount of \$[PARB] which Bonds shall be designated as the “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT)” and shall be Current Interest Bonds. [The Series 2020 Senior Bonds shall be issued as Refunding Bonds pursuant to Section 3.03 of the Master Resolution.]

Section 2.02. Terms of the Series 2020 Senior Bonds.

(a) The Series 2020A Senior Bonds shall be issued in registered form only in denominations of \$5,000 or any integral multiple thereof, and shall be numbered in such manner as the Fiscal Agent determines. The Series 2020A Senior Bonds shall, upon initial issuance, be dated the Closing Date and shall bear interest from the Closing Date at the rates set forth below. Additionally, the Series 2020A Senior Bonds shall mature on May 15 in each of the years and in the principal amounts set forth below.

<u>Maturity Date</u> <u>(May 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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(b) The Series 2020B Senior Bonds shall be issued in registered form only in denominations of \$5,000 or any integral multiple thereof, and shall be numbered in such manner as the Fiscal Agent determines. The Series 2020B Senior Bonds shall, upon initial issuance, be dated the Closing Date and shall bear interest from the Closing Date at the rates set forth below. Additionally, the Series 2020B Senior Bonds shall mature on May 15 in each of the years and in the principal amounts set forth below.

<u>Maturity Date</u> <u>(May 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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Section 2.03. Interest. The Series 2020 Senior Bonds shall bear interest at the rates set forth in Section 2.02 hereof (calculated on the basis of a 360-day year consisting of twelve 30-day months), shall be payable on May 15 and November 15 of each year (each an “***Interest Payment Date***”) commencing [May 15, 2020]. Each Series 2020 Senior Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Series 2020 Senior Bond shall bear interest from such date of authentication, or unless such date of authentication is after a

Record Date and before the next succeeding Interest Payment Date, in which event such Series 2020 Senior Bond shall bear interest from such succeeding Interest Payment Date, or unless such date of authentication is prior to [May 1, 2020], in which event such Series 2020 Senior Bond shall bear interest from the Closing Date. If interest on the Series 2020 Senior Bonds shall be in default, Series 2020 Senior Bonds issued in exchange for Series 2020 Senior Bonds surrendered for transfer or exchange shall bear interest from the last Interest Payment Date to which interest has been paid in full on the Series 2020 Senior Bonds surrendered.

Each Series 2020 Senior Bond shall bear interest until the principal sum thereof has been paid; provided, however, that if at the maturity date of any Series 2020 Senior Bond, funds are available for the payment thereof in full in accordance with the terms of Section 4.06 and Article IX of the Master Resolution, such Series 2020 Senior Bond shall then cease to bear interest.

Section 2.04. Place of Payment. Except as otherwise provided in Section 2.06 hereof and the Representation Letter, the principal of the Series 2020 Senior Bonds shall be payable in lawful money of the United States of America upon presentation and surrender of such Series 2020 Senior Bond at the corporate trust office of the Fiscal Agent in St. Paul, Minnesota. Except as otherwise provided in Section 2.06 hereof and the Representation Letter, interest on the Series 2020 Senior Bonds shall be paid by check or draft mailed by first class mail to the persons whose names appear on the registration books of the Fiscal Agent as the registered Owners of such Series 2020 Senior Bonds as of the close of business on the Record Date at such persons' addresses as they appear on such registration books, except that an Owner of \$1,000,000 or more in principal amount of Series 2020 Senior Bonds may be paid interest by wire transfer to an account in the United States if such Owner makes a written request of the Fiscal Agent at least thirty (30) days preceding any interest payment date specifying the wire transfer instructions for such Owner. Such notice may provide that it will remain in effect for later interest payments until changed or revoked by another written notice. Except as otherwise provided in Section 2.06 hereof and the Representation Letter, payments of default interest shall be paid by check, draft or wire transfer to the Owners as of a special record date to be fixed by the Fiscal Agent, notice of which special record date shall be given to the Owners by the Fiscal Agent not less than ten (10) days prior thereto.

Section 2.05. Form of Series 2020 Senior Bonds; Execution of the Series 2020 Senior Bonds.

(a) The Series 2020 Senior Bonds and the certificate of authentication and registration to be executed thereon shall be in substantially the form set forth as Exhibit A hereto. The principal of and interest rates of the Series 2020 Senior Bonds shall be inserted therein in conformity with Section 2.02 hereof.

(b) The Series 2020 Senior Bonds shall be executed in the name and on behalf of the City with the facsimile or manual signature of the President of the Board or the Treasurer, and attested by the facsimile or manual signature of the Administrative Officer to the Board. Notwithstanding the provisions of Section 2.04 of the Master Resolution, the Series 2020 Senior Bonds shall not be required to be attested under seal.

Section 2.06. Book-Entry System.

(a) Except as provided in subparagraph (c) of this Section, the registered owner of all of the Series 2020 Senior Bonds shall be DTC and the Series 2020 Senior Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of principal of or interest on any Series 2020 Senior Bond registered in the name of Cede & Co. shall be made by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of Cede & Co. at the address indicated on the Record Date or special record date for Cede & Co. in the registration books of the Fiscal Agent.

(b) The Series 2020 Senior Bonds shall be initially issued in the form of separate single authenticated fully registered bonds for each separate stated maturity of each Series of the Series 2020 Senior Bonds. Upon initial issuance, the ownership of such Series 2020 Senior Bonds shall be registered in the registration books of the Fiscal Agent in the name of Cede & Co., as nominee of DTC. The Fiscal Agent and the Board may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2020 Senior Bonds registered in its name for the purposes of payment of the principal of or interest on the Series 2020 Senior Bonds, giving any notice permitted or required to be given to Bondholders under the Master Resolution or this Twenty-Third Supplemental Resolution, registering the transfer of Series 2020 Senior Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the Fiscal Agent nor the Board shall be affected by any notice to the contrary. Neither the Fiscal Agent nor the Board shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2020 Senior Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books as being a Bondholder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal of or interest on the Series 2020 Senior Bonds; any notice which is permitted or required to be given to Bondholders under the Master Resolution; any consent given or other action taken by DTC as Bondholder; or any other purpose. The Fiscal Agent shall pay all principal of and interest on the Series 2020 Senior Bonds only to or “upon the order of” DTC (as that term is used in the Uniform Commercial Code as adopted in the State of California), and all such payments shall be valid and effective to fully satisfy and discharge the Board’s obligations with respect to the principal of and interest on the Series 2020 Senior Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2020 Senior Bond evidencing the obligation of the Board to make payments of principal of and interest pursuant to the Master Resolution. Upon delivery by DTC to the Fiscal Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word “Cede & Co.” in this Twenty-Third Supplemental Resolution shall refer to such new nominee of DTC.

(c) In the event the Board determines that it is in the best interest of the beneficial owners that they be able to obtain bond certificates, and notifies DTC, and the Fiscal Agent of such determination, then DTC will notify the Participants of the availability through DTC of bond certificates. In such event, the Fiscal Agent shall authenticate and

shall transfer and exchange bond certificates as requested by DTC and any other Bondholders in appropriate amounts. In the event: (i) DTC determines to discontinue providing its services with respect to the Series 2020 Senior Bonds at any time by giving notice to the Board and the Fiscal Agent and discharging its responsibilities with respect thereto under applicable law, or (ii) the Board determines that DTC shall no longer so act, and delivers a written certificate to the Fiscal Agent to that effect, and there is no successor Securities Depository named, the Board and the Fiscal Agent shall be obligated to deliver bond certificates as described in this Twenty-Third Supplemental Resolution. In the event bond certificates are issued, the provisions of the Master Resolution and this Twenty-Third Supplemental Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the Board and the Fiscal Agent to do so, the Fiscal Agent and the Board will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2020 Senior Bonds to any DTC Participant having Series 2020 Senior Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2020 Senior Bonds.

(d) Notwithstanding any other provision of the Master Resolution and this Twenty-Third Supplemental Resolution to the contrary, so long as any Series 2020 Senior Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and interest on such Series 2020 Senior Bond and all notices with respect to such Series 2020 Senior Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to the Master Resolution and this Twenty-Third Supplemental Resolution by the Board or the Fiscal Agent with respect to any consent or other action to be taken by Bondholders, the Board or the Fiscal Agent, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Bondholder.

NEITHER THE CITY, THE BOARD NOR THE FISCAL AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO: THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2020 SENIOR BONDS; THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS; THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE SERIES 2020 SENIOR BONDS.

Section 2.07. Transfers Outside Book-Entry System. In the event (a) the Securities Depository determines not to continue to act as securities depository for the Series 2020 Senior Bonds, or (b) the Board determines that the Securities Depository shall no longer so act, and delivers a written certificate to the Fiscal Agent to that effect, then the Board will discontinue the

book-entry system with the Securities Depository. If the Board determines to replace the Securities Depository with another qualified securities depository, the Board shall prepare or direct the preparation of a new, single, separate, fully registered Series 2020 Senior Bond for each of the maturities of the Series 2020 Senior Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee or make such other arrangement acceptable to the Board and the Securities Depository as are not inconsistent with the terms of this Twenty-Third Supplemental Resolution. If the Board fails to identify another qualified securities depository to replace the Securities Depository, then the Series 2020 Senior Bonds shall no longer be restricted to being registered in the registration books of the Fiscal Agent in the name of the Nominee, but shall be registered in such authorized denominations and names as the Securities Depository shall designate in accordance with the provisions of Article II of the Master Resolution.

ARTICLE III

NO REDEMPTION OF SERIES 2020 SENIOR BONDS

Section 3.01. No Redemption of Series 2020 Senior Bonds. The Series 2020 Senior Bonds shall not be subject to redemption prior to their respective maturity dates.

ARTICLE IV

SALE OF SERIES 2020 SENIOR BONDS; APPLICATION; FUNDS; COVENANTS

Section 4.01. Sale of Series 2020 Senior Bonds; Application of the Proceeds of the Series 2020 Senior Bonds.

(a) The Series 2020 Senior Bonds shall be sold to the Underwriters in the manner and on the terms and conditions set forth in the Bond Purchase Agreement, and consistent with the terms of Articles II and III hereof.

(b) The proceeds of the sale of the Series 2020A Senior Bonds in the amount of \$[•] (which sum represents the par amount of the Series 2020A Senior Bonds of \$[PARA].00, plus an original issue premium of \$[•], less an underwriters' discount of \$[•]), shall be deposited with the Treasurer (or with such other parties as may be directed by the Treasurer) and shall be held in trust and set aside by the Treasurer as follows:

(i) the Treasurer shall deposit or cause to be deposited \$[•] with the Escrow Agent for deposit into the Refunded Series 2010A Bonds Escrow Fund, for the purposes of current refunding and defeasing a portion of the Refunded Series 2010A Senior Bonds; and

(ii) the Treasurer shall deposit or cause to be deposited \$[•] into the Series 2020 Costs of Issuance Fund, established and maintained pursuant to Section 4.03 hereof.

(c) The proceeds of the sale of the Series 2020B Senior Bonds in the amount of \$[•] (which sum represents the par amount of the Series 2020B Senior Bonds of

\$(PARB).00, plus an original issue premium of \$[•], less an underwriters' discount of \$[•]), shall be deposited with the Treasurer (or with such other parties as may be directed by the Treasurer) and shall be held in trust and set aside by the Treasurer as follows:

(i) the Treasurer shall deposit or cause to be deposited \$[•] with the Escrow Agent for deposit into the Refunded Series 2010B Bonds Escrow Fund, for the purposes of current refunding and defeasing a portion of the Refunded Series 2010B Senior Bonds; and

(ii) the Treasurer shall deposit or cause to be deposited \$[•] into the Series 2020 Costs of Issuance Fund, established and maintained pursuant to Section 4.03 hereof.

(d) The Treasurer shall transfer or cause to be transferred:

(i) \$[•] from the Interest Account of the Bond Service Fund to the Escrow Agent for deposit into the Refunded Series 2010A Bonds Escrow Fund for the purposes of paying the interest on the Refunded Series 2010A Senior Bonds;

(ii) \$[•] from the Principal Account of the Bond Service Fund to the Escrow Agent for deposit into the Refunded Series 2010A Bonds Escrow Fund for the purposes of paying the principal of the Refunded Series 2010A Senior Bonds maturing on May 15, 2020; and

(iii) \$[•] from the Series 2010A Reserve Fund to the Escrow Agent for deposit into the Refunded Series 2010A Bonds Escrow Fund, for the purposes of paying a portion of the principal of the Refunded Series 2010A Senior Bonds.

(e) The Treasurer shall transfer or cause to be transferred:

(i) \$[•] from the Interest Account of the Bond Service Fund to the Escrow Agent for deposit into the Refunded Series 2010B Bonds Escrow Fund for the purposes of paying the interest on the Refunded Series 2010B Senior Bonds;

(ii) \$[•] from the Principal Account of the Bond Service Fund to the Escrow Agent for deposit into the Refunded Series 2010B Bonds Escrow Fund for the purposes of paying the principal of the Refunded Series 2010B Senior Bonds maturing on May 15, 2020; and

(iii) \$[•] from the Series 2010B Reserve Fund to the Escrow Agent for deposit into the Refunded Series 2010B Bonds Escrow Fund, for the purposes of paying a portion of the principal of the Refunded Series 2010B Senior Bonds.

(f) The Treasurer may, in its discretion, establish a temporary fund or account on its books and records to facilitate such transfers and is hereby authorized to make any necessary adjustments in the amounts to be deposited in the funds and accounts described in this Article IV required by Bond Counsel on the Closing Date.

Section 4.02. Refunded Bonds Escrow Funds and Escrow Agreement. The Refunded Series 2010A Bonds Escrow Fund and the Refunded Series 2010B Bonds Escrow Fund shall be established and applied in accordance with the Escrow Agreement. The form, terms and provisions of the Escrow Agreement are in all respects approved, and an Authorized Board Representative, any one or more thereof, is hereby authorized, empowered and directed to execute, acknowledge and deliver the Escrow Agreement including counterparts thereof, in the name and on behalf of the Board. The Escrow Agreement, as executed and delivered, shall be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officer or officers of the Board and the Department executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Escrow Agreement now before this meeting; and from and after the execution and delivery of the Escrow Agreement, the officers, agents and employees of the Board and the Department are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Escrow Agreement.

Section 4.03. Establishment and Application of Series 2020 Costs of Issuance Fund.

(a) The Treasurer shall establish, maintain and hold in trust a separate fund designated as the "City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020 Costs of Issuance Fund" (the "*Series 2020 Costs of Issuance Fund*"). The moneys in the Series 2020 Costs of Issuance Fund shall be used and withdrawn by the Treasurer, at the direction of an Authorized Board Representative, to pay the Costs of Issuance of the Series 2020 Senior Bonds.

(b) The Treasurer shall keep a record of all payments from the Series 2020 Costs of Issuance Fund, which record shall state: (i) the requisition number of such payment; (ii) the name and address of the person to whom each such payment was made, (iii) the respective amounts paid; and (iv) the purpose by general classification for which each obligation paid was incurred.

(c) Moneys held in the Series 2020 Costs of Issuance Fund shall be invested and reinvested by the Treasurer in Investment Securities. All investment earnings on funds held in the Series 2020 Costs of Issuance Fund shall be deposited to the Interest Account of the Bond Service Fund and used to make debt service payments on the Series 2020 Senior Bonds. Any amounts remaining in the Series 2020 Costs of Issuance Fund on September 1, 2020 shall be transferred to the Bond Service Fund and used to make debt service payments on the Series 2020 Senior Bonds and the Series 2020 Costs of Issuance Fund shall be closed.

Section 4.04. Establishment and Application of Series 2020 Rebate Fund.

(a) The Treasurer shall establish, maintain and hold a fund separate from any other fund established and maintained hereunder or under the Master Resolution designated as the "City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020 Rebate Fund" (the "*Series 2020 Rebate Fund*"). Within the Series 2020 Rebate Fund, the Treasurer shall maintain such accounts as shall be necessary in order to comply with the

terms and requirements of the Tax Compliance Certificate. All money at any time deposited in the Series 2020 Rebate Fund shall be held by the Treasurer for the account of the Department, on behalf of the City, in trust, to the extent required to satisfy the applicable Rebate Requirement, for payment to the federal government of the United States of America, and neither the City nor the Owner of any Series 2020 Senior Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Series 2020 Rebate Fund shall be governed by this Twenty-Third Supplemental Resolution and by the Tax Compliance Certificate (which is incorporated herein by reference). The City, acting by and through the Board, hereby covenants to comply with the directions contained in the Tax Compliance Certificate.

(b) Pursuant to the Tax Compliance Certificate, the Treasurer shall or shall cause to transfer from funds and accounts maintained under the Resolution such amounts so that the balance in the Series 2020 Rebate Fund on deposit shall be equal to the applicable Rebate Requirement. The Treasurer shall compute the applicable Rebate Requirement, or cause the same to be computed, in accordance with the Tax Compliance Certificate.

(c) The Treasurer shall invest all amounts held in the Series 2020 Rebate Fund, in accordance with the Tax Compliance Certificate. Moneys shall not be transferred from the Series 2020 Rebate Fund except in accordance with the Tax Compliance Certificate.

(d) Notwithstanding any other provision of the Master Resolution, including in particular Article IX of the Master Resolution, the obligation to remit the applicable Rebate Requirement to the federal government of the United States of America and to comply with all other requirements of this Section and the Tax Compliance Certificate shall survive the defeasance or payment in full of the Series 2020 Senior Bonds.

(e) The Board shall or shall cause to retain all records with respect to the calculations and instructions required by this Section for at least four years after the date on which the last of the principal of and interest on the Series 2020 Senior Bonds has been paid, whether upon maturity or acceleration thereof.

Section 4.05. Tax Covenants.

(a) In order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2020 Senior Bonds, the Board hereby covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code and the Board agrees to execute, deliver and comply with the provisions of the Tax Compliance Certificate. An Authorized Board Representative, any one or more thereof, is hereby authorized, empowered and directed to execute, acknowledge and deliver the Tax Compliance Certificate including counterparts thereof, in the name and on behalf of the Board. The Tax Compliance Certificate shall contain such terms, provisions, representations and covenants as shall be required in order to assure that interest paid on the Series 2020 Senior Bonds will not be included in gross income for federal income tax purposes (except for any interest paid on any Series 2020 Senior Bonds held by a Bondholder who is or was a “substantial user” or “related party” to such substantial user

(both as defined in Section 147(a) of the Code) of the facilities refinanced by the Series 2020 Senior Bonds). From and after the execution and delivery of the Tax Compliance Certificate, the officers, agents and employees of the Board and the Department are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Tax Compliance Certificate.

(b) The Board shall not use or permit the use of any proceeds of the Series 2020 Senior Bonds or any other funds of the Board held by the Treasurer under this Twenty-Third Supplemental Resolution, attributable to the Series 2020 Senior Bonds, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Board or the Treasurer with respect to the Series 2020 Senior Bonds in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Series 2020 Senior Bond to be “federally guaranteed” within the meaning of Section 149(b) of the Code or an “arbitrage bond” within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder and under Section 103(c) of the Code. The Board shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. In the event the Board is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Treasurer or to use such money in certain manners, in order to avoid the Series 2020 Senior Bonds from being considered “arbitrage bonds” within the meaning of Section 148 of the Code and the regulations thereunder as such may be applicable to the Series 2020 Senior Bonds at such time, the Board shall issue to the Treasurer a certificate to such effect together with appropriate instructions, in which event the Treasurer shall take such action as it is directed to take to use such money in accordance with such certificate and instructions, irrespective of whether the Treasurer shares such opinion.

(c) The Board shall at all times do and perform all acts and things permitted by law and this Twenty-Third Supplemental Resolution which are necessary or desirable in order to assure that interest paid on the Series 2020 Senior Bonds will not be included in gross income for federal income tax purposes (except for any interest paid on any Series 2020 Senior Bonds held by a Bondholder who is or was a “substantial user” or “related party” to such substantial user (both as defined in Section 147(a) of the Code) of the facilities refinanced by the Series 2020 Senior Bonds) and shall take no action that would result in such interest being included in gross income for federal income tax purposes.

(d) Notwithstanding any provision of Section 4.04 hereof or this Section to the contrary, if the Board shall receive an Opinion of Bond Counsel to the effect that any action required under Section 4.04 hereof and/or this Section hereof is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Series 2020 Senior Bonds pursuant to Section 103 of the Code, the Board and the Treasurer may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

(e) The Board hereby covenants and agrees that it will comply with and carry out all of the provisions of the Tax Compliance Certificate.

ARTICLE V

FISCAL AGENT AND FISCAL AGENT AGREEMENT

U.S. Bank National Association is hereby appointed as Fiscal Agent with respect to the Series 2020 Senior Bonds. The Fiscal Agent shall signify its acceptance of its duties hereunder by executing and delivering to the Board, on behalf of the City, a written acceptance in the form of the Fiscal Agent Agreement, in which the Fiscal Agent agrees to perform said duties and obligations as set forth in the Master Resolution and this Twenty-Third Supplemental Resolution. The form, terms and provisions of the Fiscal Agent Agreement are in all respects approved, and an Authorized Board Representative, any one or more thereof, is hereby authorized, empowered and directed to execute, acknowledge and deliver the Fiscal Agent Agreement including counterparts thereof, in the name and on behalf of the Board. The Fiscal Agent Agreement, as executed and delivered, shall be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officer or officers of the Board and the Department executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Fiscal Agent Agreement now before this meeting; and from and after the execution and delivery of the Fiscal Agent Agreement, the officers, agents and employees of the Board and the Department are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Fiscal Agent Agreement.

ARTICLE VI

ADDITIONAL AUTHORIZATIONS

Each Authorized Board Representative and all officers, agents and employees of the Board, for and on behalf of the Board, be and they hereby are authorized and directed to do any and all things necessary to effect the execution and delivery of the Series 2020 Senior Bonds and to carry out the terms thereof. Each Authorized Board Representative and all other officers, agents and other employees of the Board are further authorized and directed, for and on behalf of the Board, to execute all papers, documents and certificates that may be required in order to carry out the authority conferred by this Twenty-Third Supplemental Resolution and by the Master Resolution. The foregoing authorization includes, but is in no way limited to, each Authorized Board Representative having the authority on behalf of the Board to update and deliver a final official statement with respect to the Series 2020 Senior Bonds prior to the closing and approve, execute and deliver, if necessary, any documents required by DTC in connection with the book-entry bonds.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Series 2020 Senior Bonds Subject to the Master Resolution. The Series 2020 Senior Bonds are being issued under and subject to the terms of the Master Resolution and will be secured and payable from Revenues and other security as provided for in the Master Resolution and this Twenty-Third Supplemental Resolution. Except as expressly provided in this Twenty-Third Supplemental Resolution, every term and condition contained in the Master Resolution shall apply to this Twenty-Third Supplemental Resolution and to the Series 2020 Senior Bonds with the same force and effect as if it were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Twenty-Third Supplemental Resolution.

Section 7.02. Severability of Invalid Provisions. If any one or more of the provisions contained in this Twenty-Third Supplemental Resolution or in the Series 2020 Senior Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Twenty-Third Supplemental Resolution and such invalidity, illegality or unenforceability shall not affect any other provision of this Twenty-Third Supplemental Resolution, and this Twenty-Third Supplemental Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Board hereby declares that it would have adopted this Twenty-Third Supplemental Resolution and each and every other Article, Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Series 2020 Senior Bonds pursuant thereto irrespective of the fact that any one or more Articles, Sections, paragraphs, sentences, clauses or phrases of this Twenty-Third Supplemental Resolution may be held illegal, invalid or unenforceable.

Section 7.03. Article and Section Headings and References; Interpretation. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Twenty-Third Supplemental Resolution.

All references herein to “Article,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Twenty-Third Supplemental Resolution; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Twenty-Third Supplemental Resolution as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 7.04. Governing Law. This Twenty-Third Supplemental Resolution shall be construed and governed in accordance with the laws of the State of California.

Section 7.05. Effective Date of Resolution. This Twenty-Third Supplemental Resolution shall take effect immediately upon its adoption by the Board, and the Secretary of the Board shall certify to the vote adopting this Twenty-Third Supplemental Resolution and shall cause a certified copy of this Twenty-Third Supplemental Resolution to be filed forthwith with the

City Clerk of the City of Long Beach (the “*City Clerk*”). The City Clerk shall post this Twenty-Third Supplemental Resolution in three conspicuous places in the City.

[Remainder of page intentionally left blank.]

I hereby certify that the foregoing resolution was adopted by the Board of Harbor Commissioners of the City of Long Beach at its meeting of [February __], 2020 by the following vote:

Ayes:	Commissioners	_____

Noes:	Commissioners	_____
Absent:	Commissioners	_____
Not Voting:	Commissioners	_____

Secretary, Board of Harbor Commissioners of
the City of Long Beach, California

EXHIBIT A

FORM OF SERIES 2020 SENIOR BOND

UNITED STATES OF AMERICA

No. R-____

\$_____

CITY OF LONG BEACH, CALIFORNIA
HARBOR REVENUE REFUNDING BOND, SERIES 2020[A/B]
(PRIVATE ACTIVITY/[NON-AMT][AMT])

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE SECURITIES DEPOSITORY (AS DEFINED IN THE HEREINAFTER DEFINED MASTER RESOLUTION) TO THE FISCAL AGENT FOR REGISTRATION, TRANSFER, EXCHANGE, OR PAYMENT, AND ANY SERIES 2020[A/B] SENIOR BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE SECURITIES DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE SECURITIES DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Interest Rate	Maturity Date	Original Issue Date	CUSIP
%	May 15, 20__	February [__], 2020	542424__

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ Dollars

THE CITY OF LONG BEACH, a municipal corporation and chartered city situated in the County of Los Angeles, State of California (the "City"), acting by and through its Board of Harbor Commissioners (hereinafter called the "Board"), FOR VALUE RECEIVED, hereby promises to pay, solely from Revenues, as hereinafter provided, to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) on such principal amount from the Interest Payment Date (as defined in the hereinafter defined Twenty-Third Supplemental Resolution) before the date of authentication hereof (unless this Bond is authenticated during the period after a Record Date (as defined in the Twenty-Third Supplemental Resolution) but on or before the next Interest Payment Date, in which event this Bond shall bear interest from that Interest Payment Date, or unless this Bond is authenticated prior to the first Record Date, in which event this Bond shall bear interest from the Original Issue Date (as set forth above), or unless at the time of authentication interest is in default, in which event it shall bear interest from the Interest Payment Date to which interest has been paid or provided for) semiannually on each May 15 and

November 15, commencing on [May 15, 2020], at the interest rate set forth above, until the principal amount hereof is paid or made available for payment.

Except if this Bond is a book-entry bond, the principal of this Bond is payable to the registered holder hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of U.S. Bank National Association in St. Paul, Minnesota (the “Fiscal Agent”). Except if this Bond is a book-entry bond, interest on this Bond shall be paid by check or draft of the Fiscal Agent mailed to the registered holder hereof as of the close of business on the first day of the month in which an Interest Payment Date occurs at such registered holder’s address as it appears on the registration books maintained by the Fiscal Agent, except that a registered holder of \$1,000,000 or more in principal amount of the Series 2020[A/B] Senior Bonds may be paid interest by wire transfer to an account in the United States if such registered owner makes a written request of the Fiscal Agent at least 30 days preceding any Interest Payment Date specifying the account address. Such notice may provide that it will remain in effect for later interest payments until changed or revoked by another written notice.

This Bond is one of a duly authorized issue of “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020[A/B] (Private Activity/[Non-AMT][AMT]) ” (the “Series 2020[A/B] Senior Bonds”) issued in the aggregate principal amount of \$[PARA/PARB] pursuant to Article XII of the City Charter, Title 3, Chapter 3.52, Division I of the Municipal Code of the City, certain provisions of the Revenue Bond Law of 1941, Section 54300 et seq., of the Government Code of the State of California (said Article of the Charter, said provisions of the Municipal Code of the City and said provisions of the Government Code are referred to herein as the “Law”), Resolution No. HD-1475 of the Board of Harbor Commissioners of the City adopted by the Board on November 8, 1989, as amended and supplemented (the “Master Resolution”), and Resolution No. HD-_____ adopted by the Board on [February __], 2020 (the “Twenty-Third Supplemental Resolution”) (the Master Resolution as supplemented and amended and as further supplemented by the Twenty-Third Supplemental Resolution is referred to herein as the “Resolution”). The Series 2020[A/B] Senior Bonds are being issued to provide funds to: (a) current refund and defease the [Refunded Series 2010A Senior Bonds][Refunded Series 2010B Senior Bonds] (as defined in the Twenty-Third Supplemental Resolution), and (b) pay the costs of issuing the Series 2020[A/B] Senior Bonds.

Reference is hereby made to the Resolution, the Law and the Fiscal Agent Agreement, dated February [__], 2020 (the “Fiscal Agent Agreement”) by and between the City, acting by and through the Board, and the Fiscal Agent for a description of the terms on which the Series 2020[A/B] Senior Bonds are issued and to be issued, the provisions with regard to the nature and extent of the Revenues, and all of the terms of the Resolution, the Law and the Fiscal Agent Agreement are hereby incorporated herein and constitute a contract between the City, acting by and through the Board, and the registered owner from time to time of this Bond, and by acceptance hereof the registered holder of this Bond assents to said terms and conditions. The Resolution is adopted under, the Fiscal Agent Agreement is executed and delivered and this Bond is issued under, and all are to be construed in accordance with the laws of the State of California. All capitalized terms not defined herein shall have the meanings set forth in the Resolution.

The Series 2020[A/B] Senior Bonds are special limited obligations of the City payable from and are secured by a pledge of and a lien and charge upon the Revenues and certain funds and accounts pledged under the Resolution on a parity with all Revenue Bonds and all other debt incurred and payable from Revenues on a parity with the Revenue Bonds. The principal of and interest on the Series 2020[A/B] Senior Bonds are not a debt of 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 Revenues. The general fund of the City is not liable for the payment of the Series 2020[A/B] Senior Bonds or their interest, nor is the credit or the taxing power of the City pledged therefor. The registered holder hereof 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 Bond or any interest hereon.

The Series 2020[A/B] Senior Bonds are payable as to principal and interest thereof, exclusively from the Revenues and other funds pledged to the payment thereof under the Resolution.

As used herein, “Revenues” means all revenues, and all money secured or collected for the benefit of and received by the Board from or arising out of the use or operation of the Port, including, without limitation, all tolls, charges, rentals, compensations or fees required to be paid for services, franchises or licenses, as permitted or required by the Charter or otherwise by law or ordinance or order, to the City for the operation of any public service utility upon lands and waters under the control and management of the Department and all investment earnings credited to the Harbor Revenue Fund (created by the law) and not required to be credited to a subfund, excepting therefrom (i) Special Facility Revenues, and (ii) any revenues arising from any lease, contract or other agreement providing for the drilling for, developing, producing, extracting, taking or removing, storing and disposing of oil, gas or other hydrocarbon substances from the tide and submerged lands granted to the City by the State. As used herein, “Port” means the entire harbor system subject to and under the jurisdiction of the Board as defined in the Charter, and including, without limitation, all harbor or port improvements, work, utilities, appliances, facilities and water craft, owned, controlled or operated by the City in or upon or pertaining to the waterfront or navigable waters of the City as such system now exists together with all additions acquired, constructed or financed with surplus funds or funds derived from the sale of indebtedness authorized by the Master Resolution or any subsequent resolution of the Board, together with all improvements and extensions to said system later constructed or acquired. As used herein, “Revenue Bonds” means, the Series 2020[A/B] Senior Bonds; the City of Long Beach, California Harbor Revenue Bonds, Series 2010A; the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2010B; the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2014B; the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015A; the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015B; the City of Long Beach, California Harbor Revenue Bonds, Series 2015C; the City of Long Beach, California Harbor Revenue Bonds, Series 2015D; the City of Long Beach, California Harbor Revenue Bonds, Series 2017A; the City of Long Beach, California Harbor Revenue Bonds, Series 2017B; the City of Long Beach, California Harbor Revenue Bonds, Series 2017C; the City of Long Beach, California Harbor Revenue Refunding Short-Term Notes, Series 2018A; the City of Long Beach, California Harbor Revenue Bonds, Series 2019A; the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020[A/B] (Private Activity/[Non-AMT])[AMT]); and any additional Bonds issued in accordance with the Resolution.

The Series 2020[A/B] Senior Bonds shall not be subject to redemption prior to respective maturity dates.

This Bond may be transferred without charge upon the register required to be kept by the Fiscal Agent, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of this Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Fiscal Agent. Whenever any Series 2020[A/B] Senior Bond is surrendered for transfer, the City shall execute and the Fiscal Agent shall authenticate and deliver a new Series 2020[A/B] Senior Bond or Bonds, of the same tenor and maturity and for a like aggregate principal amount. This Bond may be exchanged without charge at the corporate trust office of the Fiscal Agent in St. Paul, Minnesota for Series 2020[A/B] Senior Bonds of authorized denominations having the same aggregate principal amount, tenor and maturity. The Fiscal Agent may require the holder of any Series 2020[A/B] Senior Bond requesting transfer of registration or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer of registration or exchange.

The rights and obligations of the City, the Board, the Fiscal Agent and of the owners of the Series 2020[A/B] Senior Bonds may be modified or amended from time to time in the manner, to the extent and upon the terms provided in the Resolution, provided that no such modification or amendment shall extend the fixed maturity of this Bond, or reduce the amount of principal hereof, or extend the time of payment of this Bond, or reduce the rate of interest hereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the owner hereof, or reduce the percentage of Series 2020[A/B] Senior Bonds the consent of the holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Resolution prior to or on a parity with the lien created by the Resolution, or deprive the holders of the Series 2020[A/B] Senior Bonds of the lien created by the Resolution on such Revenues and other assets, without the consent of the holders of all of the Series 2020[A/B] Senior Bonds then outstanding.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been executed and dated by the Fiscal Agent.

All Owners and beneficial owners of this Bond, by their purchase and acceptance of this Bond, shall be deemed to have consented to the amendments to the Master Resolution set forth in Article III of Resolution No. HD-2762, adopted by the Board on May 5, 2014.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by the Constitution and laws of the State of California and that this Bond, together with all other indebtedness of the City does not exceed any limit prescribed by the Constitution and laws of the State of California and the Charter of the City and is not issued under the Resolution.

IN WITNESS WHEREOF, the Board of Harbor Commissioners of the City of Long Beach has caused this Bond to be signed by the President of the Board and attested by the Administrative Officer to the Board as of the Original Issue Date specified above.

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

ATTESTED

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

**FISCAL AGENT’S CERTIFICATE OF
AUTHENTICATION AND REGISTRATION**

This Bond is one of the Series 2020[A/B] Senior Bonds delivered pursuant to the within mentioned Resolution.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned do(es) hereby sell, assign and transfer unto

the within-mentioned registered Series 2020[A/B] Senior Bond and hereby irrevocably constitute(s) and appoint(s)

attorney, to transfer the same on the books of the Fiscal Agent with full power of substitution in the premises.

Dated: _____

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Series 2020[A/B] Senior Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed by:

Note: Signature must be guaranteed by an Eligible Guarantor Institution.

EXHIBIT B

REFUNDED BONDS

Refunded Series 2010A Senior Bonds

**City of Long Beach, California
Harbor Revenue Bonds
Series 2010A**

Maturity Date (May 15)	Principal Paid/ Redeemed	Interest Rate	Redemption Price	Payment/ Redemption Date	CUSIP Number
2020	\$ 1,460,000	4.000%	N/A	May 15, 2020	542424RL2
2020	12,895,000	5.000	N/A	May 15, 2020	542424SB3
2021	15,040,000	5.000	100%	May 15, 2020	542424RM0
2022	15,795,000	5.000	100	May 15, 2020	542424RN8
2023	16,585,000	5.000	100	May 15, 2020	542424RP3
2024	17,415,000	5.000	100	May 15, 2020	542424RQ1
2025	18,285,000	5.000	100	May 15, 2020	542424RR9

Refunded Series 2010B Senior Bonds

**City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2010B**

Maturity Date (May 15)	Principal Paid/ Redeemed	Interest Rate	Redemption Price	Payment/ Redemption Date	CUSIP Number
2020	\$ 1,075,000	4.000%	N/A	May 15, 2020	542424SQ0
2020	15,020,000	5.000	N/A	May 15, 2020	542424SR8
2021	19,235,000	5.000	100%	May 15, 2020	542424SS6
2022	10,880,000	5.000	100	May 15, 2020	542424ST4
2023	1,260,000	5.000	100	May 15, 2020	542424SU1
2024	340,000	4.000	100	May 15, 2020	542424SV9
2024	18,710,000	5.000	100	May 15, 2020	542424SW7
2025	2,500,000	4.500	100	May 15, 2020	542424SX5
2025	21,500,000	5.000	100	May 15, 2020	542424SY3
2026	7,900,000	5.000	100	May 15, 2020	542424SZ0
2027	5,250,000	4.000	100	May 15, 2020	542424TA4
2027	5,530,000	5.000	100	May 15, 2020	542424TB2

TRUSTEE SERVICES AGREEMENT

by and between

CITY OF LONG BEACH, CALIFORNIA

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Relating to:

**§[PARA]
City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2020A
(Private Activity/Non-AMT)**

**§[PARB]
City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2020B
(Private Activity/AMT)**

Dated February [•], 2020

TRUSTEE SERVICES AGREEMENT

THIS TRUSTEE SERVICES AGREEMENT, dated February [•],2020 (this “*Agreement*”), is made by and between the **CITY OF LONG BEACH, CALIFORNIA** (the “*City*”) and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as trustee (the “*Trustee*”).

WITNESSETH:

WHEREAS, the City is a city organized and existing under a charter duly and regularly adopted pursuant to the provisions of the Constitution of the State of California;

WHEREAS, pursuant to Article XII of said charter, the City, acting by and through its Board of Harbor Commissioners (the “*Board*”), is authorized to issue, on behalf of the City, revenue bonds for harbor purposes;

WHEREAS, pursuant to Resolution No. HD-1475 adopted by the Board on November 8, 1989 (together with all amendments, modifications and supplements thereto, the “*Master Resolution*”), the Board has heretofore authorized the issuance of Bonds (as defined in the Master Resolution) on behalf of the City by adoption of supplemental resolutions from time to time, with the payment of the principal, interest on and any redemption premiums thereon being secured by and payable solely from the Revenues (as defined in the Master Resolution) of the Port (as defined in the Master Resolution);

WHEREAS, on the date hereof, the City, acting by and through the Board, issued (a) \$[PARA] aggregate principal amount of its City of Long Beach, California, Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT) (the “*Series 2020A Senior Bonds*”), and (b) \$[PARB] aggregate principal amount of its City of Long Beach, California, Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT) (the “*Series 2020B Senior Bonds*,” and together with the Series 2020A Senior Bonds, the “*Series 2020 Senior Bonds*”)(pursuant to Article XII of the Charter of the City, Title 3, Chapter 3.52, Division I of the Municipal Code of the City, certain provisions of the Revenue Bond Law of 1941, Section 54300, et seq., of the Government Code of the State of California, the Master Resolution, and Resolution No. HD-[•] adopted by the Board on [January 27,], 2020 (the “*Twenty-Third Supplemental Resolution*”);

WHEREAS, pursuant to the Master Resolution and the Twenty-Third Supplemental Resolution, the Board has directed the Treasurer of the City (the “*Treasurer*”) to establish, maintain and hold in trust certain funds and accounts in connection with the issuance of the Series 2020 Senior Bonds;

WHEREAS, the Board adopted Resolution No. HD-1940 on November 2, 1998 (the “*Sixth Supplemental Resolution*”) which authorizes the Treasurer to contract with third party trustees to act as agents to the Treasurer to maintain and hold in trust certain funds and accounts (except the Harbor Revenue Fund) presently under the custody and control of the Treasurer with respect to any series of outstanding Bonds, including the Series 2020 Senior Bonds;

WHEREAS, the Treasurer wishes to contract with the Trustee to maintain and hold in trust the Series 2020 Costs of Issuance Fund and the Series 2020 Rebate Fund pursuant to the terms and conditions of the Twenty-Third Supplemental Resolution in connection with the issuance of the Series 2020 Senior Bonds;

WHEREAS, the Treasurer shall still maintain ultimate responsibility for the control, care and custody of moneys deposited and maintained with the Trustee; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

“*Authorized Representative*” shall mean the Treasurer, the Treasurer Operations Officer or such other officer or employee of the City which has been designated by the Treasurer as an authorized representative by written notice delivered by the Treasurer to the Trustee.

“*Bond Service Fund*” shall mean the fund by the name established pursuant to the terms of the Master Resolution.

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

“*Costs of Issuance*” shall have the meaning set forth in the Master Resolution.

“*Interest Account*” shall mean the account by that name established pursuant to the terms of the Master Resolution and maintained within the Bond Service Fund.

“*Investment Securities*” shall mean any securities in which the City may legally invest, from time to time, funds subject to its control, including, without limitation, (i) shares in money market mutual funds which qualify as investments pursuant to Sections 53601 and 53635 of the Government Code of the State of California; (ii) shares in money market mutual funds the assets of which would otherwise qualify as investments pursuant to Sections 53601 and 53635 of the Government Code of the State of California except that such money market mutual funds include in their assets (a) registered warrants, treasury notes or bonds of any state within the United States and/or (b) bonds, notes, warrants or other evidence of indebtedness of any county, city, city and county or other public agency of any state within the United States; (iii) an investment agreement of any maturity with a financial institution or insurance company or insurance holding company which has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed obligations, rated in either of the two highest long-term rating categories by Moody’s Investors Service Inc. (“Moody’s”), or S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”), or in the case of an insurance company has a claims

paying ability rated in either of the two highest rating categories by Moody's or S&P, or an investment agreement of any maturity with a person that is a subsidiary of such a financial institution or such an insurance company or such an insurance holding company, provided that such person's obligations under such investment agreement are absolutely and unconditionally guaranteed by such financial institution or such insurance company or such insurance holding company; and (iv) such other investments that are provided for in the definition of Investment Securities in the Twenty-Third Supplemental Resolution.

Unless otherwise defined above or elsewhere in this Agreement, all words, terms and phrases used herein shall have the meanings assigned to such terms in the Master Resolution and the Twenty-Third Supplemental Resolution.

ARTICLE II

APPOINTMENT OF TRUSTEE

Section 2.01. Appointment and Acceptance. The City hereby appoints U.S. Bank National Association to act as trustee and agent to the City to maintain and hold in trust certain funds described herein and to perform such other duties as set forth in Article III hereof.

The Trustee hereby accepts its appointment, and agrees to execute the trusts and perform the duties set forth in this Agreement.

Section 2.02. Compensation. As compensation for the Trustee's services, the City hereby agrees to pay the Trustee the fees and amounts set forth in Exhibit B attached hereto and by this reference made a part hereof

ARTICLE III

DUTIES OF TRUSTEE

Section 3.01. Establishment of Funds. The Trustee shall establish and maintain the following funds:

- (a) City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020 Costs of Issuance Fund (the "*Series 2020 Costs of Issuance Fund*"); and
- (b) City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020 Rebate Fund (the "*Series 2020 Rebate Fund*").

Section 3.02. Application of Series 2020 Senior Bond Proceeds. On the date hereof, the Treasurer shall or shall cause to be deposited with the Trustee \$[•] (which will be derived from the proceeds of the Series 2020 Senior Bonds), and the Trustee shall deposit such amount into the Series 2020 Costs of Issuance Fund to pay the Costs of Issuance of the Series 2020 Senior Bonds.

Section 3.03. Application of Series 2020 Costs of Issuance Fund. The Trustee shall make payments or disbursements from the Series 2020 Costs of Issuance Fund upon receipt from

an Authorized Representative of a written requisition, in substantially the form of Exhibit A attached hereto, executed by an Authorized Representative to pay the Costs of Issuance of the Series 2020 Senior Bonds.

The Trustee shall keep a record of all payments from the Series 2020 Costs of Issuance Fund, which record shall state: (a) the requisition number of such payment; (b) the name and address of the person to whom each such payment was made, (c) the respective amounts paid; and (d) the purpose by general classification for which each obligation paid was incurred.

Moneys held in the Series 2020 Costs of Issuance Fund shall be invested and reinvested by the Trustee at the written direction of the Treasurer in Investment Securities; in the absence of any such direction, the Trustee shall, to the extent practicable, invest in Investment Securities specified in item (ii) of the definition thereof. All investment earnings on amounts held in the Series 2020 Costs of Issuance Fund shall be transferred to the Treasurer for deposit to the Interest Account and used to make debt service payments on the Series 2020 Senior Bonds. Any amounts remaining in the Series 2020 Costs of Issuance Fund on September 1, 2020 shall be transferred to the Bond Service Fund and used to make debt service payments on the Series 2020 Senior Bonds and the Series 2020 Costs of Issuance Fund shall be closed.

Section 3.04. Application of Series 2020 Rebate Fund. All moneys at any time deposited in the Series 2020 Rebate Fund shall be held by the Trustee for the account of the City in trust, to the extent required to satisfy the rebate requirement with respect to the Series 2020 Senior Bonds, for payment to the federal government of the United States of America, and neither the City nor the Owner of any Series 2020 Senior Bonds shall have any rights in or claim to such money.

The Trustee shall invest all amounts held in the Series 2020 Rebate Fund, in the manner directed in writing by the Treasurer (subject to the limitations contained in the Tax Compliance Certificate) in Investment Securities; in the absence of any such direction, the Trustee shall, to the extent practicable, invest in Investment Securities specified in item (ii) of the definition thereof. Moneys shall not be transferred from the Series 2020 Rebate Fund except in accordance with the Tax Compliance Certificate. The City shall provide the Trustee with written directions for the transfer of any moneys from the Series 2020 Rebate Fund, and the Trustee may conclusively rely upon such directions.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Liability of Trustee. The Trustee shall not be liable for any loss resulting from any investment made pursuant to this Agreement in compliance with the express provisions hereof. Except to the extent all obligations to the Owners of the Series 2020 Senior Bonds shall have been satisfied, the Trustee shall have no lien whatsoever on the moneys on deposit in the funds established herein for the payment of fees and expenses for services rendered by the Trustee under this Agreement or otherwise.

Whenever in the administration of this Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized Representative, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Trustee, be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Agreement upon the faith thereof.

The Trustee shall not be liable under the Twenty-Third Supplemental Resolution or this Agreement except to the extent of its negligence or willful misconduct. The Trustee shall not be liable for any error in judgment made by it in good faith. No provision of this Agreement or the Twenty-Third Supplemental Resolution shall require the Trustee to risk, expend or advance its own funds in the performance of its duties as Trustee, or in the exercise of any of its rights or powers. The Trustee may conclusively rely, as to the truth of the statements and correctness of the opinion expressed therein, on certificates or opinions furnished to the Trustee by or on behalf of the City. The Trustee may consult with legal counsel with regards to legal questions, and the opinion or advice of such legal counsel shall be full protection and authorization for any action taken or not taken by the Trustee in reliance upon the opinion or advice of such legal counsel. The Trustee may perform any of its duties under this Agreement or the Twenty-Third Supplemental Resolution directly or through its agents or attorneys and shall not be responsible for the actions of such agents or attorneys if such agents or attorneys were appointed by it with reasonable care.

Section 4.02. Successor Trustee. Any corporation into which the Trustee and the trust created by this Agreement may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Trustee shall be a party or any corporation or association succeeding to the corporate trust business of the Trustee, shall be the successor Trustee under this Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 4.03. Termination. This Agreement shall terminate when all transfers and payments required to be made by the Trustee under the provisions hereof shall have been made and all payments of any unpaid fees and expense of the Trustee shall have been made. The City hereby directs the Trustee to, and the Trustee shall distribute any moneys remaining in the funds established herein at the time of such termination to the Treasurer.

Section 4.04. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Trustee to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 4.05. Successors and Assigns. All of the covenants and agreements in this Agreement contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 4.06. Indemnity of Trustee. To the extent permitted by law, the City agrees to indemnify and hold the Trustee harmless from and against all claims, suits and actions brought against it, or to which it is made a party, and from all costs, expenses (including reasonable attorneys' fee of counsel reasonably acceptable to the City), losses and damages suffered by it as a result thereof, including the costs and expenses of defending against any such claims, suits or actions, where and to the extent such claim, suit or action arises out of the performance by the Trustee of its duties under this Agreement. Such indemnification shall not extend to claims, suits and actions brought against the Trustee which result in a judgment being entered, settlement being reached or other disposition made based upon the Trustee's negligence or willful misconduct. The indemnification provided for in this Agreement shall never be payable from or become a lien upon the moneys deposited in the funds established herein, which funds shall be held solely for the purpose and subject to the liens set forth in Article III hereof. The obligations of the City under this Section shall remain in effect and continue notwithstanding the termination of this Agreement.

Section 4.07. Third-Party Beneficiaries and Amendments. The Owners of the Series 2020 Senior Bonds are hereby recognized as third-party beneficiaries of this Agreement to the extent of their interests in the funds as set forth in Article III hereof.

Section 4.08. Replacement and Resignation of Trustee. The City may remove the Trustee by notice in writing delivered to the Trustee thirty (30) days prior to the proposed removal date. The Trustee may resign by notifying the City in writing at least thirty (30) days prior to the proposed effective date of the resignation. No removal or resignation of the Trustee under this Section shall be effective until a new Trustee, approved by the City, has taken office and delivered a written acceptance of its appointment to the retiring Trustee and to the City. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the removal or resignation of the Trustee shall then (but only then) become effective and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Agreement. If the Trustee is removed or resigns or for any reason is unable or unwilling to perform its duties under this Agreement, the City shall promptly appoint a successor Trustee. If a successor Trustee has not been appointed and has not accepted such appointment by the end of the 30-day period, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee, and the costs, expenses and reasonable attorneys' fees incurred in connection with such a proceeding shall be paid by the City.

Section 4.09. Accounting Records and Reports of the Trustee. The Trustee shall at all times keep, or cause to be kept, proper records in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Series 2020 Senior Bonds and all funds established by it pursuant to this Agreement. Such records shall be available for inspection with reasonable prior notice by the City on each Business Day during reasonable business hours and by any Owner of the Series 2020 Senior Bonds, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

The Trustee shall provide to the City each month a report of the amounts deposited into each fund held by it under this Agreement and the amount disbursed from such funds, the earnings thereon, the ending balance in each of such funds and the investments of each such fund.

Section 4.10. Notices. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the City or the Trustee shall be mailed or delivered to the City or the Trustee, respectively, at the following addresses, or such other address as may have been given by one party to the other by fifteen (15) days' written notice.

City: City of Long Beach
411 West Ocean Boulevard, 6th Floor
Long Beach, California 90802
Attn: City Treasurer

Fiscal Agent: U.S. Bank National Association
Global Corporate Trust
633 West Fifth Street, 24th Floor
LM-CA-T24T
Los Angeles, California 90071
Attn: Ilse Vlach

Section 4.11. Governing Law. This Agreement shall be governed by the applicable laws of the State of California.

Section 4.12. Headings. Any headings preceding the text of the several Sections hereof, and any table of content appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

Section 4.13. Amendments. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 4.14. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have each caused this Trustee Services Agreement to be executed by their duly authorized officers as of the date first above written.

CITY OF LONG BEACH, CALIFORNIA

By _____
David S. Nakamoto, City Treasurer

Approved as to form:

J. CHARLES PARKIN, City Attorney

By _____
Lauren E. Misajon
Deputy City Attorney

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Representative

[Signature page to Trustee Services Agreement]

EXHIBIT A

FORM OF SERIES 2020 COSTS OF ISSUANCE FUND REQUISITION

Requisition No. _____

To: U.S. Bank National Association
Global Corporate Trust
633 West Fifth Street, 24th Floor
LM-CA-T24T
Los Angeles, California 90071
Attention: Ilse Vlach

Re: Requisition of Funds from City of Long Beach, California Harbor Revenue Bonds, Series 2020 Costs of Issuance Fund

The amount requisitioned: \$ _____

Payment to be made to: _____

Manner in which payment is to be made: _____

The undersigned, an Authorized Representative within the meaning of the Trustee Services Agreement, dated February [●], 2020 (the "Trustee Services Agreement"), by and between the City of Long Beach, California (the "City"), and U.S. Bank National Association, as trustee (the "Trustee"), hereby requisitions the amount set forth above and directs that such amount be paid to the party set forth above from funds held in the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020 Costs of Issuance Fund and directs that payment be made in the manner described above.

The amount to be paid represents a Costs of Issuance associated with the issuance of the Series 2020 Senior Bonds and the amount requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate, dated February [●], 2020, relating to the Series 2020 Senior Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Master Resolution and the Twenty-Third Supplemental Resolution (as each are defined in the Trustee Services Agreement).

Dated: _____.

CITY OF LONG BEACH, CALIFORNIA

By _____
Title _____
Name _____

EXHIBIT B
SCHEDULE OF FEES FOR SERVICES AS TRUSTEE

FISCAL AGENT AGREEMENT

by and between

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

and

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

Relating to:

[\$[PARA]]
City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2020A
(Private Activity/Non-AMT)

[\$[PARB]]
City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2020B
(Private Activity/AMT)

Dated February [●], 2020

FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT, dated February [•], 2020 (this “*Fiscal Agent Agreement*”), is entered into by and between **CITY OF LONG BEACH, CALIFORNIA**, a municipal corporation acting by and through its Board of Harbor Commissioners (the “*Issuer*”), and **U.S. BANK NATIONAL ASSOCIATION**, as fiscal agent (the “*Fiscal Agent*”).

RECITALS

WHEREAS the Issuer has duly authorized and provided for the issuance of its (a) “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT)” (the “*Series 2020A Senior Bonds*”) in an aggregate principal amount of \$[PARA], and (b) “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT)” (the “*Series 2020B Senior Bonds*,” and together with the Series 2020A Senior Bonds, the “*Series 2020 Senior Bonds*”) in an aggregate principal amount of \$[PARB], which will be issued as fully registered bonds without coupons;

WHEREAS the Issuer will ensure all things necessary to make the Series 2020 Senior Bonds the valid obligations of the Issuer, in accordance with their terms, will be done upon the issuance and delivery thereof;

WHEREAS the Issuer and the Fiscal Agent wish to provide the terms under which the Fiscal Agent will pay the principal of and interest on the Series 2020 Senior Bonds, in accordance with the terms thereof, under which the Fiscal Agent will act as registrar for the Series 2020 Senior Bonds, and under which the Fiscal Agent will comply with all applicable provisions of the Resolution (as hereinafter defined);

WHEREAS the Fiscal Agent has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Fiscal Agent for the Series 2020 Senior Bonds as detailed in the Resolution;

WHEREAS the Issuer has duly authorized the execution and delivery of this Fiscal Agent Agreement; and all things necessary to make this Fiscal Agent Agreement a valid agreement have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I

DEFINITIONS

For all purposes of this Fiscal Agent Agreement except as otherwise expressly provided or unless the context otherwise requires:

“*Authorized Board Representative*” shall have the meaning set forth in the Resolution.

“*Bond Register*” means the book or books of registration kept by the Fiscal Agent in which are maintained the names and addresses and principal amounts registered to each Owner.

“*Fiscal Agent*” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or any successor thereto.

“*Issuer*” means the City of Long Beach, California, acting by and through its Board of Harbor Commissioners.

“*Owner*” means the Person in whose name a Series 2020 Senior Bond is registered.

“*Person*” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

“*Resolution*” means, collectively, Resolution No. HD-1475 adopted by the Board of Harbor Commissioners of the City of Long Beach, California on November 8, 1989, as amended and supplemented, including as supplemented by Resolution No. HD-[●] adopted by the Board of Harbor Commissioners of the City of Long Beach, California on January [27], 2020 pursuant to which the Series 2020 Senior Bonds were issued.

“*Series 2020 Senior Bonds*” means, collectively, the Series 2020A Senior Bonds and the Series 2020B Senior Bonds.

“*Series 2020A Senior Bonds*” means the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT).

“*Series 2020B Senior Bonds*” means the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT).

ARTICLE II

APPOINTMENT OF FISCAL AGENT

Section 2.01. Appointment and Acceptance. The Issuer hereby appoints the Fiscal Agent to pay to the Owners in accordance with the terms and provisions of this Fiscal Agent Agreement and the Resolution, the principal of and interest on the Series 2020 Senior Bonds.

The Issuer hereby appoints the Fiscal Agent as registrar with respect to the Series 2020 Senior Bonds. As registrar, the Fiscal Agent shall keep and maintain for and on behalf of the Issuer, books and records as to the ownership of the Series 2020 Senior Bonds and with respect to the transfer and exchange thereof as provided herein and in the Resolution.

The Fiscal Agent hereby accepts its appointment, and agrees to perform the duties of the Fiscal Agent set forth in this Fiscal Agent Agreement and the Resolution.

Section 2.02. Compensation. As compensation for the Fiscal Agent's services, the Issuer hereby agrees to pay the Fiscal Agent the fees and amounts set forth in Exhibit A attached hereto and by this reference made a part hereof.

ARTICLE III

DUTIES OF FISCAL AGENT

Section 3.01. Payments. The Fiscal Agent shall pay on behalf of the Issuer the principal of and interest on each Series 2020 Senior Bond in accordance with the provisions of the Resolution.

Section 3.02. Payment Dates. The Issuer hereby instructs the Fiscal Agent to pay the principal of and interest on the Series 2020 Senior Bonds on the dates specified in the Resolution.

Section 3.03. Initial Delivery of Series 2020 Senior Bonds. The Series 2020 Senior Bonds shall be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company. The Fiscal Agent will, on the date of initial delivery, deliver Series 2020 Senior Bonds of authorized denominations, registered in the name of Cede & Co., as nominee of The Depository Trust Company, in accordance with the provisions of the Resolution.

Section 3.04. Registration Duties. The Fiscal Agent shall provide for the proper registration of, transfer, exchange and replacement of the Series 2020 Senior Bonds in accordance with the Resolution.

Section 3.05. Unauthenticated Series 2020 Senior Bonds. If the Series 2020 Senior Bonds are not registered with a securities depository pursuant to a book-entry system, then the Issuer shall provide to the Fiscal Agent on a continuing basis, an adequate inventory of unauthenticated Series 2020 Senior Bonds to facilitate transfers. The Fiscal Agent agrees that it will maintain such unauthenticated Series 2020 Senior Bonds in safekeeping.

Section 3.06. Form of Bond Register. The Fiscal Agent will maintain its records in accordance with the Fiscal Agent's general practices and procedures in effect from time to time, subject always to the provisions of the Resolution.

Section 3.07. Reports. The Issuer may request the information in the Bond Register at any time the Fiscal Agent is customarily open for business, provided that reasonable time is allowed to the Fiscal Agent to provide an up-to-date listing and to convert the information into written form.

The Fiscal Agent will not release or disclose the content of the Bond Register to any person other than to the Issuer at its written request, except upon receipt of a subpoena or court order or as may otherwise be required by law or permitted by the Resolution. Upon receipt of a subpoena or court order the Fiscal Agent will notify the Issuer.

Section 3.08. Cancelled Series 2020 Senior Bonds. All Series 2020 Senior Bonds surrendered for payment, transfer, exchange, or replacement, if surrendered to the Fiscal Agent,

shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Fiscal Agent and, if not already cancelled, shall be promptly cancelled by the Fiscal Agent. The Issuer may at any time deliver to the Fiscal Agent for cancellation any Series 2020 Senior Bonds previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Series 2020 Senior Bonds so delivered shall be promptly cancelled by the Fiscal Agent. All cancelled Series 2020 Senior Bonds held by the Fiscal Agent for its retention period then in effect shall thereafter be destroyed and evidence of such destruction shall be furnished to the Issuer upon its written request.

Section 3.09. Undertakings. The Fiscal Agent undertakes to perform the express duties set forth herein and in the Resolution and shall be bound by the provisions of the Resolution applicable to it as Fiscal Agent. No implied duties or obligations shall be read into this Fiscal Agent Agreement against the Fiscal Agent. The Fiscal Agent hereby agrees to use the funds deposited with it for payment of the principal of and interest on the Series 2020 Senior Bonds to pay the same as it shall become due, and further agrees to establish and maintain such accounts and funds as may be required in the Resolution.

The Fiscal Agent shall have the right to pursue such tort claims as may arise hereunder (but excluding any claims of any investor of the Series 2020 Senior Bonds, such as violation of any state or federal securities law claim). The Fiscal Agent shall have no duty to invest any moneys deposited with it by the Issuer with respect to the Series 2020 Senior Bonds. The Fiscal Agent shall have no duty or obligation to make any payment on the Series 2020 Senior Bonds unless the Issuer shall have deposited sufficient funds to pay all such amounts with the Fiscal Agent. The Fiscal Agent shall not be liable under the Resolution or this Fiscal Agent Agreement except to the extent of its negligence or willful misconduct. The Fiscal Agent shall not be liable for any error in judgment made by it in good faith. No provision of this Fiscal Agent Agreement or the Resolution shall require the Fiscal Agent to risk, expend or advance its own funds in the performance of its duties as Fiscal Agent, or in the exercise of any of its rights or powers. The Fiscal Agent in its individual or any other capacity may become the Owner or pledgee of the Series 2020 Senior Bonds with the same rights it would have if it were not the Fiscal Agent for the Series 2020 Senior Bonds. The Fiscal Agent may conclusively rely, as to the truth of the statements and correctness of the opinion expressed therein, on certificates or opinions furnished to the Fiscal Agent by or on behalf of the Issuer. The Fiscal Agent may consult with legal counsel with regards to legal questions, and the opinion or advice of such legal counsel shall be full protection and authorization for any action taken or not taken by the Fiscal Agent in reliance upon the opinion or advice of such legal counsel. The Fiscal Agent may perform any of its duties under this Fiscal Agent Agreement or the Resolution directly or through its agents or attorneys and shall not be responsible for the actions of such agents or attorneys if such agents or attorneys were appointed by it with reasonable care.

Section 3.10. Other Transactions. The Fiscal Agent may engage in or be interested in any financial or other transaction with the Issuer.

Section 3.11. Indemnification. To the extent permitted by law, the Issuer shall indemnify the Fiscal Agent, its officers, directors, employees and agents for, and hold them harmless against any loss, cost, claim, liability or expense arising out of or in connection with the Fiscal Agent's acceptance or administration of the Fiscal Agent's duties hereunder or under the

Resolution (except any loss, liability or expense as may be adjudged in a nonappealable judgment by a court of competent jurisdiction to be attributable to the Fiscal Agent's negligence or willful misconduct), including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Fiscal Agent Agreement. Such indemnity shall survive the termination or discharge of this Fiscal Agent Agreement or discharge of the Series 2020 Senior Bonds.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Amendment. This Fiscal Agent Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 4.02. Assignment. This Fiscal Agent Agreement may not be assigned by either party without the prior written consent of the other party.

Section 4.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Fiscal Agent shall be mailed or delivered to the Issuer or the Fiscal Agent, respectively, at the following addresses, or such other address as may have been given by one party to the other by fifteen (15) days' written notice.

Issuer: Harbor Department of City of Long Beach
415 West Ocean Boulevard
Long Beach, California 90802
Attn: Managing Director, Finance and
Administration

Fiscal Agent: U.S. Bank National Association
Global Corporate Trust
633 West Fifth Street, 24th Floor
LM-CA-T24T
Los Angeles, California 90071
Attn: Ilse Vlach

Section 4.04. Third-Party Beneficiaries. The Owners of the Series 2020 Senior Bonds are hereby recognized as third-party beneficiaries of this Fiscal Agent Agreement.

Section 4.05. Entire Agreement. This Fiscal Agent Agreement and the Resolution constitute the entire agreement between the parties hereto relative to the Fiscal Agent.

Section 4.06. Term and Termination. This Fiscal Agent Agreement shall be effective from and after its date and until the Fiscal Agent resigns or is removed in accordance with the Resolution; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties of the Fiscal Agent under and in accordance with the

Resolution. In the event of resignation or removal of the Fiscal Agent, upon the written request of the Issuer and upon payment of the amounts owing to the Fiscal Agent hereunder, the Fiscal Agent shall deliver to the Issuer or its designee all funds and authenticated and unauthenticated Series 2020 Senior Bonds, and a copy of the Bond Register.

Section 4.07. Governing Law. This Fiscal Agent Agreement shall be construed in accordance with and shall be governed by the laws of the State of California.

Section 4.08. Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 4.09. Successors and Assigns. All covenants and agreements herein by the Issuer and the Fiscal Agent shall bind their successors and assigns, whether so expressed or not.

Section 4.10. Severability. If any provision of this Fiscal Agent Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 4.11. Counterparts. This Fiscal Agent Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Fiscal Agent Agreement as of the day and year first above written.

CITY OF LONG BEACH, CALIFORNIA, acting
by and through its BOARD OF HARBOR
COMMISSIONERS

By _____
Sam Joublat, Managing Director, Finance
and Administration, Harbor Department of
the City of Long Beach, California

Approved as to form:

J. CHARLES PARKIN, City Attorney

By _____
Lauren E. Misajon
Deputy City Attorney

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By _____
Authorized Representative

[Signature page to Fiscal Agent Agreement]

EXHIBIT A

SCHEDULE OF FEES FOR SERVICES AS FISCAL AGENT

ESCROW AGREEMENT

by and among

CITY OF LONG BEACH, CALIFORNIA
acting by and through its
BOARD OF HARBOR COMMISSIONERS,
as Issuer

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

and

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

Relating to:

City of Long Beach, California
Harbor Revenue Bonds
Series 2010A

City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2010B

Dated February [●], 2020

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated February [•], 2020 (this “*Escrow Agreement*”), is made by and among the **CITY OF LONG BEACH, CALIFORNIA**, a municipal corporation acting by and through its **BOARD OF HARBOR COMMISSIONERS** (the “*Issuer*”), **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as fiscal agent pursuant to the Twelfth Supplemental Resolution (as hereinafter defined) and the Thirteenth Supplemental Resolution (as hereinafter defined) (the “*Fiscal Agent*”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as escrow agent (the “*Escrow Agent*”).

WITNESSETH:

WHEREAS, the Issuer has previously issued its City of Long Beach, California Harbor Revenue Bonds, Series 2010A (the “*Series 2010A Senior Bonds*”), pursuant to Article XII of the Charter of the City of Long Beach, California (the “*Charter*”), Title 3, Chapter 3.52, Division I of the Municipal Code of the City of Long Beach (the “*Municipal Code*”), certain provisions of the Revenue Bond Law of 1941, Section 54300, et seq., of the Government Code of the State of California, Resolution No. HD-1475, adopted by the Board of Harbor Commissioners of the City of Long Beach (the “*Board*”) on November 8, 1989, as amended (the “*Master Resolution*”), and Resolution No. HD-2555 adopted by the Board on April 5, 2010 (the “*Twelfth Supplemental Resolution*”);

WHEREAS, the Issuer has previously issued its City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2010B (the “*Series 2010B Senior Bonds*”), pursuant to the Charter, the Municipal Code, certain provisions of the Revenue Bond Law of 1941, Section 54300, et seq., of the Government Code of the State of California, the Master Resolution, and Resolution No. HD-2560 adopted by the Board on May 10, 2010 (the “*Thirteenth Supplemental Resolution*”);

WHEREAS, on February [•], 2020, the Issuer issued (a) \$[PARA] aggregate principal amount of its City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT) (the “*Series 2020A Senior Bonds*”), and (b) \$[PARB] aggregate principal amount of its City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT) (the “*Series 2020B Senior Bonds*” and together with the Series 2020A Senior Bonds, the “*Series 2020 Senior Bonds*”) pursuant to the Charter, the Municipal Code, certain provisions of the Revenue Bond Law of 1941, Section 54300, et seq., of the Government Code of the State of California, the Master Resolution, and Resolution No. HD-[•] adopted by the Board on [January 27], 2020 (the “*Twenty-Third Supplemental Resolution*”);

WHEREAS, a portion of the proceeds of the Series 2020A Senior Bonds, along with certain moneys on deposit in the Bond Service Fund (as defined in the Master Resolution) and the Series 2010A Reserve Fund (as defined in the Twelfth Supplemental Resolution), will be used to pay and redeem all of the outstanding Series 2010A Senior Bonds (as described in more detail in Exhibit A attached hereto) (collectively, the “*Refunded Series 2010A Senior Bonds*”);

WHEREAS, a portion of the proceeds of the Series 2020B Senior Bonds, along with certain moneys on deposit in the Bond Service Fund and the Series 2010B Reserve Fund (as defined in the Thirteenth Supplemental Resolution), will be used to pay and redeem all of the outstanding Series 2010B Senior Bonds (as described in more detail in Exhibit A attached hereto) (collectively, the “*Refunded Series 2010B Senior Bonds*,” and together with the Refunded Series 2010A Senior Bonds, the “*Refunded Bonds*”);

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

Section 1. Creation of Escrow Funds.

(a) There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated as “City of Long Beach, California Harbor Revenue Bonds, Series 2010A Escrow Fund” (the “*Refunded Series 2010A Bonds Escrow Fund*”) to be held in the custody of the Escrow Agent in escrow under this Escrow Agreement for the benefit of the owners of the Refunded Series 2010A Senior Bonds.

(b) There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated as “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2010B Escrow Fund” (the “*Refunded Series 2010B Bonds Escrow Fund*,” and together with the Refunded Series 2010A Bonds Escrow Fund, the “*Escrow Funds*”) to be held in the custody of the Escrow Agent in escrow under this Escrow Agreement for the benefit of the owners of the Refunded Series 2010B Senior Bonds.

(c) Except as otherwise provided in Section 5 hereof, the Issuer shall have no interest in the funds or investments, if any, held in the Escrow Funds.

Section 2. Deposits to the Escrow Funds.

(a) Concurrently with the execution and delivery of this Escrow Agreement, the Issuer shall or shall cause the Treasurer of the City of Long Beach (the “*City Treasurer*”) to deposit with the Escrow Agent and the Issuer hereby directs the Escrow Agent to, and the Escrow Agent shall, deposit (a) \$[•] to be derived from the proceeds of the sale of the Series 2020A Senior Bonds, (b) \$[•] to be derived from the transfer of moneys on deposit in the Interest Account of the Bond Service Fund allocable to the Refunded Series 2010A Senior Bonds held by the City Treasurer pursuant to the Master Resolution and the Twelfth Supplemental Resolution, (c) \$[•] to be derived from the transfer of moneys on deposit in the Principal Account of the Bond Service Fund allocable to the Refunded Series 2010A Senior Bonds held by the City Treasurer pursuant to the Master Resolution and the Twelfth Supplemental Resolution, and (d) \$[•] to be derived from the transfer of moneys on deposit in the Series 2010A Reserve Fund held by U.S. Bank National Association (on behalf of the City Treasurer), as trustee, pursuant to the Master Resolution, the Twelfth Supplemental Resolution, and the Trustee Services Agreement, dated as of April 1, 2010, by and between the City of Long Beach, California,

and U.S. Bank National Association, as trustee, to the Refunded Series 2010A Bonds Escrow Fund.

The Escrow Agent hereby acknowledges receipt of \$[•], as described in this subsection, and that such amounts were deposited to the Refunded Series 2010A Bonds Escrow Fund.

(b) Concurrently with the execution and delivery of this Escrow Agreement, the Issuer shall or shall cause the City Treasurer to deposit with the Escrow Agent and the Issuer hereby directs the Escrow Agent to, and the Escrow Agent shall, deposit (a) \$[•] to be derived from the proceeds of the sale of the Series 2020B Senior Bonds, (b) \$[•] to be derived from the transfer of moneys on deposit in the Interest Account of the Bond Service Fund allocable to the Refunded Series 2010B Senior Bonds held by the City Treasurer pursuant to the Master Resolution and the Thirteenth Supplemental Resolution, (c) \$[•] to be derived from the transfer of moneys on deposit in the Principal Account of the Bond Service Fund allocable to the Refunded Series 2010B Senior Bonds held by the City Treasurer pursuant to the Master Resolution and the Thirteenth Supplemental Resolution, and (d) \$[•] to be derived from the transfer of moneys on deposit in the Series 2010B Reserve Fund held by U.S. Bank National Association (on behalf of the City Treasurer), as trustee, pursuant to the Master Resolution, the Thirteenth Supplemental Resolution, and the Trustee Services Agreement, dated as of May 1, 2010, by and between the City of Long Beach, California, and U.S. Bank National Association, as trustee, to the Refunded Series 2010B Bonds Escrow Fund.

The Escrow Agent hereby acknowledges receipt of \$[•], as described in this subsection, and that such amounts were deposited to the Refunded Series 2010B Bonds Escrow Fund.

Section 3. Investment of Escrow Funds.

(a) The Issuer hereby directs the Escrow Agent to, and the Escrow Agent shall, on February [•], 2020, use \$[•] of cash on deposit in the Refunded Series 2010A Bonds Escrow Fund to purchase the securities described in Schedule I attached hereto (the “*Series 2010A Initial Government Securities*”), and shall retain \$[•] in the Refunded Series 2010A Bonds Escrow Fund as a beginning cash balance.

The Escrow Agent shall purchase the Series 2010A Initial Government Securities as provided in this Section and shall hold such Series 2010A Initial Government Securities and any earnings received thereon and any reinvestment thereof created by this Escrow Agreement and disburse such amounts as provided herein. The Escrow Agent shall collect amounts due and shall sell or otherwise liquidate investments in the Refunded Series 2010A Bonds Escrow Fund as needed to make the payments required by this Escrow Agreement and may substitute Government Securities, as defined and subject to the terms and limitations of Section 7 hereof, but otherwise shall have no power or duty to sell, transfer, request the redemption of or otherwise dispose of the Series 2010A Initial Government Securities.

(b) The Issuer hereby directs the Escrow Agent to, and the Escrow Agent shall, on February [•], 2020, use \$[•] of cash on deposit in the Refunded Series 2010B Bonds Escrow Fund to purchase the securities described in Schedule III attached hereto (the “*Series 2010B Initial Government Securities*,” and together with the Series 2010A Initial Government Securities, the “*Series 2010 Initial Government Securities*”), and shall retain \$[•] in the Refunded Series 2010B Bonds Escrow Fund as a beginning cash balance.

The Escrow Agent shall purchase the Series 2010B Initial Government Securities as provided in this Section and shall hold such Series 2010B Initial Government Securities and any earnings received thereon and any reinvestment thereof created by this Escrow Agreement and disburse such amounts as provided herein. The Escrow Agent shall collect amounts due and shall sell or otherwise liquidate investments in the Refunded Series 2010B Bonds Escrow Fund as needed to make the payments required by this Escrow Agreement and may substitute Government Securities, as defined and subject to the terms and limitations of Section 7 hereof, but otherwise shall have no power or duty to sell, transfer, request the redemption of or otherwise dispose of the Series 2010B Initial Government Securities.

Section 4. Creation of Lien on Escrow Funds.

(a) The deposit of the moneys, the Series 2010A Initial Government Securities and any other Government Securities in the Refunded Series 2010A Bonds Escrow Fund shall constitute an irrevocable deposit in trust for the benefit of the holders of the Refunded Series 2010A Senior Bonds. The holders of the Refunded Series 2010A Senior Bonds are hereby granted an express lien on the Refunded Series 2010A Bonds Escrow Fund and all moneys and investments from time to time held therein for the payment of amounts described in Section 5 hereof.

(b) The deposit of the moneys, the Series 2010B Initial Government Securities and any other Government Securities in the Refunded Series 2010B Bonds Escrow Fund shall constitute an irrevocable deposit in trust for the benefit of the holders of the Refunded Series 2010B Senior Bonds. The holders of the Refunded Series 2010B Senior Bonds are hereby granted an express lien on the Refunded Series 2010B Bonds Escrow Fund and all moneys and investments from time to time held therein for the payment of amounts described in Section 5 hereof.

Section 5. Use of Escrow Funds.

(c) The Escrow Agent shall withdraw the amounts described in Schedule II attached hereto on May 15, 2020 from the Refunded Series 2010A Bonds Escrow Fund and use such amounts in its capacity as Fiscal Agent for the Refunded Series 2010A Senior Bonds to pay the principal of and interest on the Refunded Series 2010A Senior Bonds as directed pursuant to the Master Resolution and the Twelfth Supplemental Resolution.

The Escrow Agent shall retain all unclaimed moneys in the Refunded Series 2010A Bonds Escrow Fund. At such time as the Issuer delivers to the Escrow Agent written notice that no additional amounts from the Refunded Series 2010A Bonds Escrow Fund will be

needed to pay and redeem the Refunded Series 2010A Senior Bonds, or on May 18, 2020, whichever occurs first, the Escrow Agent shall transfer all amounts then remaining in the Refunded Series 2010A Bonds Escrow Fund, if any, to the City Treasurer who shall transfer such amounts to the Interest Account of the Bond Service Fund. At such time as no amounts remain in the Refunded Series 2010A Bonds Escrow Fund, such fund shall be closed.

(d) The Escrow Agent shall withdraw the amounts described in Schedule IV attached hereto on May 15, 2020 from the Refunded Series 2010B Bonds Escrow Fund and use such amounts in its capacity as Fiscal Agent for the Refunded Series 2010B Senior Bonds to pay the principal of and interest on the Refunded Series 2010B Senior Bonds as directed pursuant to the Master Resolution and the Thirteenth Supplemental Resolution.

The Escrow Agent shall retain all unclaimed moneys in the Refunded Series 2010B Bonds Escrow Fund. At such time as the Issuer delivers to the Escrow Agent written notice that no additional amounts from the Refunded Series 2010B Bonds Escrow Fund will be needed to pay and redeem the Refunded Series 2010B Senior Bonds, or on May 18, 2020, whichever occurs first, the Escrow Agent shall transfer all amounts then remaining in the Refunded Series 2010B Bonds Escrow Fund, if any, to the City Treasurer who shall transfer such amounts to the Interest Account of the Bond Service Fund. At such time as no amounts remain in the Refunded Series 2010B Bonds Escrow Fund, such fund shall be closed.

Section 6. Notice of Redemption of Redeemed Series 2010 Senior Bonds and Notice of Defeasance of the Refunded Bonds. By the execution of this Escrow Agreement and delivery hereof to the Fiscal Agent, the Issuer hereby delivers irrevocable notice to the Fiscal Agent that pursuant to the Master Resolution, the Twelfth Supplemental Resolution and the Thirteenth Supplemental Resolution the Issuer wishes to redeem, on May 15, 2020 (a) all of the Outstanding Series 2010A Senior Bonds maturing on and after May 15, 2021 (the “*Redeemed Series 2010A Senior Bonds*”), and (b) all of the Series 2010B Senior Bonds maturing on and after May 15, 2021 (the “*Redeemed Series 2010B Senior Bonds*,” and together with the Redeemed Series 2010A Senior Bonds, the “*Redeemed Series 2010 Senior Bonds*”). The Fiscal Agent hereby waives any right to receive any other notices that it may be entitled to from the Issuer under the Master Resolution, the Twelfth Supplemental Resolution and the Thirteenth Supplemental Resolution with respect to the redemption of the Redeemed Series 2010 Senior Bonds, as described herein.

The Fiscal Agent agrees to give or cause to be given (i) at least 30 days prior to May 15, 2020, irrevocable notice of the redemption of the Redeemed Series 2010 Senior Bonds to the owners of the Redeemed Series 2010 Senior Bonds at such times and in such manner as provided in the Master Resolution, the Twelfth Supplemental Resolution and the Thirteenth Supplemental Resolution, and (ii) on or about the date hereof, notice mailed (or otherwise delivered via approved means) to The Depository Trust Company and the Municipal Securities Rulemaking Board, of the defeasance of the Refunded Series 2010 Senior Bonds, as required pursuant to Article IX of the Master Resolution.

Section 7. Reinvestment; Substitution of Government Securities. EXCEPT AS SPECIFICALLY PROVIDED BELOW, THE ESCROW AGENT MAY NOT SELL, TRANSFER, REQUEST THE REDEMPTION OF OR OTHERWISE DISPOSE OF THE SERIES 2010 INITIAL GOVERNMENT SECURITIES.

(a) Interest income and other amounts received by the Escrow Agent as payments on the Series 2010A Initial Government Securities held in the Refunded Series 2010A Bonds Escrow Fund shall be held as part of such escrowed funds to be used for the purposes set forth in Section 5(a) hereof and may be invested by the Escrow Agent at the written direction of the Issuer; provided that (i) such amounts may only be invested in Government Securities as defined in this Section 7; and (ii) such investments shall have maturities which do not extend beyond the date on which the moneys so invested will be needed to make payments required by Section 5(a) hereof.

Upon the fulfillment of the conditions set forth in this Section 7, the Escrow Agent at the written direction of the Issuer may sell, liquidate or otherwise dispose of some or all of the Series 2010A Initial Government Securities then held as an investment of the Refunded Series 2010A Bonds Escrow Fund and reinvest the proceeds thereof, together with other moneys held in the Refunded Series 2010A Bonds Escrow Fund in different Government Securities; provided that no such substitution shall occur unless the Issuer shall first deliver to the Escrow Agent, (1) an opinion by an independent certified public accountant that, after such reinvestment or substitution, the principal amount of the Government Securities then held in the Refunded Series 2010A Bonds Escrow Fund, together with the interest thereon and other available moneys therein, will be sufficient to pay the principal of and interest with respect to the Refunded Series 2010A Senior Bonds on the date and in the amounts as required pursuant to the Master Resolution and the Twelfth Supplemental Resolution; and (2) an opinion of nationally recognized bond counsel to the effect that such sale, liquidation or other disposition and substitution of different Government Securities is permitted under this Escrow Agreement, the Master Resolution and the Twelfth Supplemental Resolution, and will not have any adverse effect with respect to the exemption of the interest on the Series 2020 Senior Bonds or the Refunded Series 2010A Senior Bonds from income taxation under the Internal Revenue Code of 1986, as amended; provided further that no opinions shall be required pursuant to this Section 7 with respect to the reinvestment of any moneys derived from Government Securities held in the Refunded Series 2010A Bonds Escrow Fund hereunder which have matured so long as such moneys are reinvested in Government Securities maturing not later than the date such funds are required to pay and redeem the Refunded Series 2010A Senior Bonds and the yield on such Government Securities does not exceed the yield on the Series 2020 Senior Bonds.

(b) Interest income and other amounts received by the Escrow Agent as payments on the Series 2010B Initial Government Securities held in the Refunded Series 2010B Bonds Escrow Fund shall be held as part of such escrowed funds to be used for the purposes set forth in Section 5(b) hereof and may be invested by the Escrow Agent at the written direction of the Issuer; provided that (i) such amounts may only be invested in Government Securities as defined in this Section 7; and (ii) such investments shall have

maturities which do not extend beyond the date on which the moneys so invested will be needed to make payments required by Section 5(b) hereof.

Upon the fulfillment of the conditions set forth in this Section 7, the Escrow Agent at the written direction of the Issuer may sell, liquidate or otherwise dispose of some or all of the Series 2010B Initial Government Securities then held as an investment of the Refunded Series 2010B Bonds Escrow Fund and reinvest the proceeds thereof, together with other moneys held in the Refunded Series 2010B Bonds Escrow Fund in different Government Securities; provided that no such substitution shall occur unless the Issuer shall first deliver to the Escrow Agent, (1) an opinion by an independent certified public accountant that, after such reinvestment or substitution, the principal amount of the Government Securities then held in the Refunded Series 2010B Bonds Escrow Fund, together with the interest thereon and other available moneys therein, will be sufficient to pay the principal of and interest with respect to the Refunded Series 2010B Senior Bonds on the date and in the amounts as required pursuant to the Master Resolution and the Thirteenth Supplemental Resolution; and (2) an opinion of nationally recognized bond counsel to the effect that such sale, liquidation or other disposition and substitution of different Government Securities is permitted under this Escrow Agreement, the Master Resolution and the Thirteenth Supplemental Resolution, and will not have any adverse effect with respect to the exemption of the interest on the Series 2020 Senior Bonds or the Refunded Series 2010B Senior Bonds from income taxation under the Internal Revenue Code of 1986, as amended; provided further that no opinions shall be required pursuant to this Section 7 with respect to the reinvestment of any moneys derived from Government Securities held in the Refunded Series 2010B Bonds Escrow Fund hereunder which have matured so long as such moneys are reinvested in Government Securities maturing not later than the date such funds are required to pay and redeem the Refunded Series 2010B Senior Bonds and the yield on such Government Securities does not exceed the yield on the Series 2020 Senior Bonds.

(c) “*Government Securities*,” as used in this Escrow Agreement, means only noncallable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the full faith and credit of, the United States of America, and which are limited to U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series—“SLGS” and any stripped interest on the principal portion of such U.S. Treasury Certificates, Notes and Bonds).

Section 8. Liability of Fiscal Agent and Escrow Agent.

(a) The Fiscal Agent and Escrow Agent shall not under any circumstance be liable for any loss resulting from any investment made pursuant to this Escrow Agreement in compliance with the provisions hereof. The Fiscal Agent and the Escrow Agent shall have no lien whatsoever on the Escrow Funds or moneys on deposit in the Escrow Funds for the payment of fees and expenses for services rendered by the Fiscal Agent and the Escrow Agent under this Escrow Agreement or otherwise.

(b) The Fiscal Agent and the Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of any moneys deposited into the Escrow Funds or

the Series 2010 Initial Government Securities or any Government Securities purchased at the direction of the Issuer to pay the principal of and accrued interest on the Refunded Bonds.

(c) The Issuer agrees that if for any reason the investments and moneys and other funds available to pay the principal of and accrued interest on the Refunded Bonds are insufficient therefor, the Issuer shall continue to be liable for payment therefor in accordance with the terms of the Master Resolution, the Twelfth Supplemental Resolution and the Thirteenth Supplemental Resolution.

(d) No provision of this Escrow Agreement shall require the Fiscal Agent or the Escrow Agent to expend or risk their own funds.

(e) The Fiscal Agent and the Escrow Agent may consult with bond counsel or with such other counsel of their own choice subject to reasonable approval by the Issuer (which may but need not be counsel to the Issuer) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(f) Whenever in the administration of this Escrow Agreement the Fiscal Agent or the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or not taking any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of gross negligence or willful misconduct on the part of the Fiscal Agent or the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the Issuer, and such certificate shall, in the absence of gross negligence or willful misconduct on the part of the Fiscal Agent or the Escrow Agent, as applicable, be full warrant to the Fiscal Agent and the Escrow Agent for any action taken or not taken by it under the provisions of this Escrow Agreement in reliance thereon. Except with respect to any future reinvestment or substitution of Government Securities as may be directed by the Issuer as set forth in Section 7 hereof, the Fiscal Agent and the Escrow Agent hereby represents that, as of the date hereof, they do not need any further certificate or direction from any other party in order to carry out the terms of this Escrow Agreement.

(g) The Fiscal Agent and the Escrow Agent may conclusively rely, as to the truth and accuracy of the statements and correctness of the opinions and the calculations provided, and shall be protected and indemnified as set forth in Section 12 hereof, in acting, or refraining from acting, upon any written notice, instruction, request, certificate, document or opinion furnished to the Fiscal Agent or the Escrow Agent, as applicable, signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

(h) The Fiscal Agent and the Escrow Agent undertake to perform only such duties as are expressly and specifically set forth in this Escrow Agreement and no implied duties or obligations shall be read into this Escrow Agreement against the Fiscal Agent or the Escrow Agent.

(i) The Fiscal Agent and the Escrow Agent shall not have any liability hereunder except to the extent of their own gross negligence or willful misconduct. In no event shall the Fiscal Agent or the Escrow Agent be liable for any special indirect or consequential damages.

(j) The Fiscal Agent and the Escrow Agent shall not be responsible for any of the recitals or representations contained herein.

(k) The liability of the Fiscal Agent and the Escrow Agent to make the payments required by this Escrow Agreement shall be limited to the moneys in the Escrow Funds.

(l) If the Fiscal Agent and the Escrow Agent learn that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of securities that is to be submitted pursuant to this Escrow Agreement, the Fiscal Agent and Escrow Agent shall promptly request alternative written investment instructions from the Issuer with respect to escrowed funds which were to be invested in securities. The Fiscal Agent and Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Fiscal Agent and Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the Issuer. In the absence of investment instructions from the Issuer, the Fiscal Agent and Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Fiscal Agent and Escrow Agent may conclusively rely upon the Issuer's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

(m) The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive brokerage confirmations of security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent and Escrow Agent will furnish the Issuer periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent and Escrow Agent hereunder.

Section 9. Successor Fiscal Agent or Escrow Agent. Any corporation into which the Fiscal Agent or the Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Fiscal Agent or the Escrow Agent shall be a party or any corporation succeeding to the corporate trust business of the Fiscal Agent or the Escrow Agent, shall be the successor Fiscal Agent or Escrow Agent, as the case may be, under this Escrow Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10. Termination. This Escrow Agreement shall terminate when all transfers and payments required to be made by the Fiscal Agent and the Escrow Agent under the provisions hereof shall have been made. Any deficiency in the amounts required to be paid hereunder shall

be paid by the Issuer. The Issuer hereby directs the Fiscal Agent and the Escrow Agent to, and the Fiscal Agent and the Escrow Agent shall, distribute any moneys remaining in the Escrow Funds at the time of such termination to the City Treasurer for deposit in the Interest Account of the Bond Service Fund.

Section 11. Tax-Exempt Nature of Interest on the Refunded Bonds. The Issuer covenants and agrees for the benefit of the holders of the Refunded Bonds that it will not direct or permit any thing or act to be done in such manner as would cause interest on the Refunded Bonds to be included in the gross income of the recipients thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “*Code*”), nor will it use any of the proceeds received from the sale of the Series 2020 Senior Bonds, directly or indirectly, in any manner which would result in the Series 2020 Senior Bonds being classified as “arbitrage bonds” within the meaning of the Code.

Section 12. Compensation of Escrow Agent and Indemnity of the Escrow Agent and the Fiscal Agent. For acting under this Escrow Agreement, the Escrow Agent shall be entitled to payment of a fee of \$[•]. To the extent permitted by law, the Issuer agrees to indemnify and hold the Fiscal Agent and the Escrow Agent harmless from and against all claims, suits and actions brought against them, or to which they are made a party, and from all costs, expenses (including reasonable attorneys’ fees of counsel reasonably acceptable to the Issuer), losses and damages suffered by them as a result thereof, including the costs and expenses of defending against any such claims, suits or actions, where and to the extent such claim, suit or action arises out of the performance by the Fiscal Agent and the Escrow Agent of their duties under this Escrow Agreement; provided, however, that such indemnification shall not extend to claims, suits and actions brought against the Fiscal Agent or the Escrow Agent which result in a judgment being entered, settlement being reached or other disposition made based upon the Fiscal Agent’s or the Escrow Agent’s, as applicable, negligence or willful misconduct. The indemnification provided for in this Escrow Agreement shall never be payable from or become a lien upon the Escrow Funds, which funds shall be held solely for the purpose and subject to the liens set forth in Sections 4 and 5 hereof. The obligations of the Issuer under this Section 12 shall remain in effect and continue notwithstanding the termination of this Escrow Agreement and the resignation or removal of the Fiscal Agent or the Escrow Agent.

Section 13. Third-Party Beneficiaries.

(a) The owners of the Refunded Series 2010A Senior Bonds are hereby recognized as third-party beneficiaries of this Escrow Agreement to the extent of their interests in the Refunded Series 2010A Bonds Escrow Fund as set forth in Sections 4(a) and 5(a) hereof.

(b) The owners of the Refunded Series 2010B Senior Bonds are hereby recognized as third-party beneficiaries of this Escrow Agreement to the extent of their interests in the Refunded Series 2010B Bonds Escrow Fund as set forth in Sections 4(b) and 5(b) hereof.

Section 14. Replacement and Resignation of Fiscal Agent or Escrow Agent. The Issuer may remove the Fiscal Agent and/or the Escrow Agent and/or the Fiscal Agent and/or the Escrow

Agent may resign pursuant to the provisions of Section 7.01(b) of the Master Resolution and the applicable provisions of the Fiscal Agent Agreement (as defined in the Twelfth Supplemental Resolution and the Thirteenth Supplemental Resolution).

Section 15. Successors and Assigns. All of the covenants and agreements in this Escrow Agreement contained by or on behalf of the Issuer, the Escrow Agent or the Fiscal Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 16. Severability. If any one or more of the provisions of this Escrow Agreement should be determined by a court of competent jurisdiction to be contrary to law, such provision shall be deemed and construed to be severable from the remaining provisions herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

Section 17. Governing Law. This Escrow Agreement shall be governed by the applicable laws of the State of California.

Section 18. Headings. Any headings preceding the text of the several Sections hereof, and any table of content appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Escrow Agreement, nor shall they affect its meaning, construction or effect.

Section 19. Amendments. The Issuer, the Fiscal Agent and the Escrow Agent shall not modify this Escrow Agreement without the consent of all of the owners of the Refunded Bonds affected by such modification which have not been paid in full.

Section 20. Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[End of Escrow Agreement]

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

CITY OF LONG BEACH, CALIFORNIA, acting by and through its BOARD OF HARBOR COMMISSIONERS

By _____
Sam Joumblat, Managing Director, Finance and Administration, Harbor Department of the City of Long Beach, California

Approved as to form:

J. CHARLES PARKIN, City Attorney

By _____
Lauren E. Misajon
Deputy City Attorney

U.S. BANK NATIONAL ASSOCIATION, as
Fiscal Agent

By _____
Authorized Representative

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent

By _____
Authorized Representative

[Signature page to Escrow Agreement]

EXHIBIT A

REFUNDED BONDS

Refunded Series 2010A Senior Bonds

**City of Long Beach, California
Harbor Revenue Bonds
Series 2010A**

Maturity Date (May 15)	Principal Paid/ Redeemed	Interest Rate	Redemption Price	Payment/ Redemption Date	CUSIP Number
2020	\$ 1,460,000	4.000%	N/A	May 15, 2020	542424RL2
2020	12,895,000	5.000	N/A	May 15, 2020	542424RB3
2021	15,040,000	5.000	100%	May 15, 2020	542424RM0
2022	15,795,000	5.000	100	May 15, 2020	542424RN8
2023	16,585,000	5.000	100	May 15, 2020	542424RP3
2024	17,415,000	5.000	100	May 15, 2020	542424RQ1
2025	18,285,000	5.000	100	May 15, 2020	542424RR9

Refunded Series 2010B Senior Bonds

**City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2010B**

Maturity Date (May 15)	Principal Paid/ Redeemed	Interest Rate	Redemption Price	Payment/ Redemption Date	CUSIP Number
2020	\$ 1,075,000	4.000%	N/A	May 15, 2020	542424SQ0
2020	15,020,000	5.000	N/A	May 15, 2020	542424SR8
2021	19,235,000	5.000	100%	May 15, 2020	542424SS6
2022	10,880,000	5.000	100	May 15, 2020	542424ST4
2023	1,260,000	5.000	100	May 15, 2020	542424SU1
2024	340,000	4.000	100	May 15, 2020	542424SV9
2024	18,710,000	5.000	100	May 15, 2020	542424SW7
2025	2,500,000	4.500	100	May 15, 2020	542424SX5
2025	21,500,000	5.000	100	May 15, 2020	542424SY3
2026	7,900,000	5.000	100	May 15, 2020	542424SZ0
2027	5,250,000	4.000	100	May 15, 2020	542424TA4
2027	5,530,000	5.000	100	May 15, 2020	542424TB2

EXHIBIT B
FORM OF NOTICE OF DEFEASANCE

EXHIBIT C
FORM OF NOTICE OF REDEMPTION

EXHIBIT D

SCHEDULE OF FEES FOR SERVICES AS ESCROW AGENT

SCHEDULE I

SERIES 2010A INITIAL GOVERNMENT SECURITIES

<u>Maturity Date</u>	<u>Type</u>	<u>Coupon</u>	<u>Price</u>	<u>Par Amount</u>	<u>Total Cost</u>
05/15/2020	SLGS – Certificate of Indebtedness	%	100%	\$	\$

SCHEDULE II

**PAYMENT REQUIREMENTS FOR
REFUNDED SERIES 2010A SENIOR BONDS**

Payment Date/ Redemption Date	Principal	Interest	Total
5/15/2020	\$97,475,000.00	\$2,429,575.00	\$99,904,575.00

SCHEDULE III

SERIES 2010B INITIAL GOVERNMENT SECURITIES

<u>Maturity Date</u>	<u>Type</u>	<u>Coupon</u>	<u>Price</u>	<u>Par Amount</u>	<u>Total Cost</u>
05/15/2020	SLGS – Certificate of Indebtedness	%	100%	\$	\$

SCHEDULE IV

**PAYMENT REQUIREMENTS FOR
REFUNDED SERIES 2010B SENIOR BONDS**

Payment Date/ Redemption Date	Principal	Interest	Total
5/15/2020	\$109,200,000.00	\$2,690,425.00.00	\$111,890,425.00

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Certificate”) is executed and delivered by the City of Long Beach, California, acting by and through its Board of Harbor Commissioners (the “Issuer”) in connection with the issuance of \$_____ City of Long Beach, California, Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT) (the “Series 2020A Senior Bonds”) and \$_____ City of Long Beach, California, Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT) (the “Series 2020B Senior Bonds” and together with the Series 2020A Senior Bonds, the “Series 2020 Senior Bonds”), pursuant to the terms of Resolution No. HD-1475, adopted by the Board of Harbor Commissioners of the City of Long Beach, California (the “Board”) on November 8, 1989, as amended and supplemented, and Resolution No. HD-____, adopted by the Board on December [9], 2019 (collectively, the “Senior Resolution”).

In consideration of the purchase of the Series 2020 Senior Bonds by the Participating Underwriter (as defined below), the Issuer covenants and agrees as follows:

Section 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Series 2020 Senior Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”).

Section 2. Definitions. In addition to the definitions set forth in the Senior Resolution, which apply to any capitalized term used in this Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 hereof.

“*Beneficial Owner*” means any person which (a) has or shares the power, directly or indirectly, to vote or consent with respect to, to make investment decisions concerning the ownership of, or to dispose of ownership of, any Series 2020 Senior Bonds (including persons holding Series 2020 Senior Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2020 Senior Bonds for federal income tax purposes.

“*Dissemination Agent*” means the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“*EMMA System*” means the MSRB’s Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

“*Fiscal Year*” means the period beginning on October 1 of each year and ending on the next succeeding September 30, or any other 12-month period hereafter selected as the official fiscal year of the Issuer.

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

“*Holdings*” means either the registered owners of the Series 2020 Senior Bonds, or if the Series 2020 Senior Bonds are registered in the name of The Depository Trust Company or other recognized securities depository, any applicable participant in its depository system.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*Listed Events*” means any of the events listed in Sections 5(a) and 5(b) hereof.

“*MSRB*” means the Municipal Securities Rulemaking Board, or any successor thereto.

“*Obligated Person*” means the Issuer and any other “obligated person” within the meaning of the Rule.

“*Official Statement*” means the Official Statement, dated January [23], 2020, prepared and distributed in connection with the initial sale of the Series 2020 Senior Bonds.

“*Participating Underwriter*” means any of the original underwriters of the Series 2020 Senior Bonds required to comply with the Rule in connection with the offering of the Series 2020 Senior Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Issuer shall provide, or shall cause the Dissemination Agent to provide, to the MSRB through the EMMA System (in an electronic format and accompanied by identifying information all as prescribed by the MSRB and/or the Rule) an Annual Report which is consistent with the requirements of Section 4 hereof by April 30 of each year. The Issuer’s first Annual Report shall be due April 30, 2020. Not later than 15 Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 hereof. The audited financial statements of the Harbor Department may be submitted separately from the balance of the Annual Report if they are not available by the date of submission, provided such financial statements are submitted by April 30 of each year. If the Issuer’s Fiscal Year changes, the Issuer, upon becoming aware of such change, shall give notice of such change in the same manner as for a Listed Event under Section 5(e) hereof.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent (if other than the Issuer) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with subsection (a).

(c) If the Issuer is unable to provide to the MSRB or the Dissemination Agent (if other than the Issuer), an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB through the EMMA System in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent (if other than the Issuer) shall confirm in writing to the Issuer that the Annual Report has been filed as required hereunder, stating the date filed.

Section 4. Content of Annual Reports.

(a) The Issuer's Annual Report shall contain or incorporate by reference the following, updated to incorporate information for the most recent Fiscal Year or calendar year, as applicable (the tables referred to below are those appearing in the Official Statement relating to the Series 2020 Senior Bonds, unless otherwise noted):

(i) The audited financial statements of the Harbor Department for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Harbor Department's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(ii) Table 2—Harbor Department of the City of Long Beach, Senior Bonds & Notes Debt Service Requirements (but only to the extent such information has changed).

(iii) Table 3—Harbor Department of the City of Long Beach, Senior Debt Service Coverage.

(iv) Table 4—Harbor Department of the City of Long Beach, Revenue Tonnage and TEU Summary.

(v) Table 6—Harbor Department of the City of Long Beach, Cargo Summary.

(vi) Table 8—Harbor Department of the City of Long Beach, Sources of Operating Revenues.

(vii) Table 11—Harbor Department of the City of Long Beach, Comparative Summary of Statements of Revenues, Expenses and Changes in Net Position.

(b) All or any portion of the information of the Annual Report may be incorporated in the Annual Report by cross reference to any other documents which have been filed with the MSRB.

(c) Information contained in an Annual Report for any Fiscal Year containing any modified operating data or financial information (as contemplated by Section 8 hereof) for such Fiscal Year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such Fiscal Year. If a change in accounting principles is included in any such modification, such Annual Report shall present a comparison between the financial statements or information prepared on the basis of modified accounting principles and those prepared on the basis of former accounting principles.

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2020 Senior Bonds not later than ten (10) business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions with respect to the tax status of the Series 2020 Senior Bonds or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Series 2020 Senior Bonds;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the Obligated Person; or
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

Note: for the purposes of the event identified in item 9, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

The Issuer notes that items 2, 3 and 4 are not applicable to the Series 2020 Senior Bonds.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2020 Senior Bonds, if material, not later than ten (10) business days after the occurrence of the event:

1. Unless described in Section 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2020 Senior Bonds or other material events affecting the tax status of the Series 2020 Senior Bonds;
2. Modifications to rights of the Beneficial Owners or Holders of the Series 2020 Senior Bonds;
3. Optional, unscheduled or contingent bond calls;
4. Release, substitution or sale of property securing repayment of the Series 2020 Senior Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. Appointment of a successor or additional trustee/fiscal agent or the change of name of a trustee/fiscal agent; or
8. Incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect holders of the Series 2020 Senior Bonds.

(c) The Issuer shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a) hereof, as provided in Section 3 hereof.

(d) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the Issuer shall determine if such event would be material under applicable federal securities laws.

(e) If the Issuer learns of an occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the Issuer shall within ten (10) business days of such occurrence file a notice of such occurrence with the MSRB through the EMMA System in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in Sections 5(a)(7) or 5(b)(3) need not be given under this subsection any earlier than the notice (if any) of

the underlying event is given to Beneficial Owners and Holders of the affected Series 2020 Senior Bonds pursuant to the Senior Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment of amounts fully sufficient to pay and discharge the Series 2020 Senior Bonds, or upon delivery to the Dissemination Agent (if other than the Issuer) of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the Series 2020 Senior Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(e) hereof.

Section 7. Dissemination Agent. From time to time, the Issuer may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than the Issuer) shall be entitled to reasonable compensation for its services hereunder and reimbursement of its out of pocket expenses (including, but not limited to, attorneys' fees). The Dissemination Agent (if other than the Issuer) shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Certificate.

Section 8. Amendment Waiver. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, and any provision of this Certificate may be waived, provided that all of the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, change in law (including rules or regulations) or in interpretations thereof, or change in the identity, nature or status of an Obligated Person with respect to the Series 2020 Senior Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2020 Senior Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Series 2020 Senior Bonds in the same manner as provided in the Senior Resolution for amendments to the Senior Resolution with the consent of Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Beneficial Owners of the Series 2020 Senior Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e) hereof, and (ii) the Annual Report for the year in which the

change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Certificate, any Holder or Beneficial Owner of the Series 2020 Senior Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer or the Dissemination Agent (if other than the Issuer), as the case may be, to comply with its obligations under this Certificate; provided that any such Holder or Beneficial Owner may not take any enforcement action without the consent of the Holders of not less than 25% (twenty-five percent) in aggregate principal amount of the Series 2020 Senior Bonds that at the time are Outstanding. A default under this Certificate shall not be deemed a default under the Senior Resolution and the sole remedy under this Certificate in the event of any failure of the Issuer or the Dissemination Agent (if other than the Issuer) to comply with this Certificate shall be an action to compel performance. Under no circumstances shall any person or entity be entitled to recover monetary damages hereunder in the event of any failure of the Issuer or the Dissemination Agent (if other than the Issuer) to comply with this Certificate. No Holder or Beneficial Owner of the Series 2020 Senior Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the Issuer satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the Issuer shall have refused to comply therewith within a reasonable time.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are expressly and specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any claims, losses, expenses and liabilities which such Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties given to the Dissemination Agent hereunder, including the costs and expenses (including attorneys' fees) of defending, in any manner or forum, against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct, subject to the provisions of the Senior Resolution. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2020 Senior Bonds.

Section 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Series 2020 Senior Bonds, and shall create no rights in any other person or entity.

Section 13. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Issuer shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be

null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof, and the Beneficial Owners of the Series 2020 Senior Bonds shall retain all the benefits afforded to them hereunder. The Issuer hereby declares that it would have executed and delivered this Certificate and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 14. Governing Law. This Certificate was made in the City of Long Beach and shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Long Beach, without regard to conflict of law principles. Any litigation, action or proceeding to enforce or interpret any provision of this Certificate or otherwise arising out of, or relating to this Certificate, shall be brought, commenced or prosecuted in a State or Federal court in the County of Los Angeles in the State of California. By its acceptance of the benefits hereof, any person or entity bringing any such litigation, action or proceeding submits to the exclusive jurisdiction of the State of California and waives any defense of forum non conveniens.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned has hereunto signed and executed this Continuing Disclosure Certificate this [19]th day of February, 2020.

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

[Signature page to Continuing Disclosure Certificate]

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Long Beach, California

Name of Bond Issue: Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT) and Harbor Revenue Refunding Bonds, Series 2020B (Private Activity/AMT)

Name of Obligated Person: Harbor Department of the City of Long Beach, California

Date of Issuance: February [19], 2020

CUSIP: [_____]__

NOTICE IS HEREBY GIVEN that the City of Long Beach, acting by and through its Board of Harbor Commissioners (the "Issuer"), has not provided an Annual Report with respect to the above-named Series 2020A Senior Bonds and Series 2020B Senior Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated February [19], 2020, by the Issuer. The Issuer anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____.

CITY OF LONG BEACH, CALIFORNIA, acting by
and through its BOARD OF HARBOR
COMMISSIONERS

By _____
Authorized Representative

§[]

**CITY OF LONG BEACH, CALIFORNIA
HARBOR REVENUE REFUNDING BONDS**

Relating to:

**§[PARA]
City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2020A
(Private Activity/Non-AMT)**

**§[PARB]
City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2020B
(Private Activity/AMT)**

BOND PURCHASE AGREEMENT

[], 2020

Board of Harbor Commissioners
Harbor Department of the City of Long Beach
Long Beach, California

Ladies and Gentlemen:

The undersigned Citigroup Global Markets Inc. (the “Representative”), on behalf of itself, Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated (collectively, the “Underwriters”), offers to enter into this Bond Purchase Agreement (this “Bond Purchase Agreement”) with the City of Long Beach, California, acting by and through its Board of Harbor Commissioners (the “Issuer”) which, upon the Issuer’s written acceptance hereof, will be binding upon the Issuer and upon the Underwriters. Capitalized terms used and not otherwise defined herein shall have the same meanings as set forth in the Master Resolution and the Twenty-Third Supplemental Resolution (as such terms are hereinafter defined) or in the Official Statement (as hereinafter defined). This offer is made subject to the written acceptance of this Bond Purchase Agreement by the Issuer and the delivery of such acceptance to the Representative at or prior to 11:59 p.m. California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer.

The Representative hereby represents that it has been authorized by the other Underwriters to execute this Bond Purchase Agreement on behalf of the Underwriters.

1. Upon the terms and conditions and upon the basis of the representations and warranties hereinafter set forth, the Underwriters, jointly and severally, hereby agree to purchase from the Issuer for reoffering to the public, and the Issuer hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of: (i) §[] aggregate principal amount of the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020A (the “Series 2020A Bonds”) and (ii) §[] aggregate principal amount of the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2020B (the “Series 2020B Bonds”, and together with the Series 2020A Bonds, the “Bonds”). The purchase price of the Series 2020A Bonds shall be §[] (representing the principal amount of the Series 2020A Bonds, plus an original issue premium of §[

] and less an underwriters' discount of \$[] (the "Series 2020A Purchase Price"). The purchase price of the Series 2020B Bonds shall be \$[] (representing the principal amount of the Series 2020B Bonds, plus an original issue premium of \$[] and less an underwriters' discount of \$[]) (the "Series 2020B Purchase Price", and together with the Series 2020A Purchase Price, the "Series 2020 Purchase Price").

2. The Bonds are special, limited obligations of the City of Long Beach, California (the "City") and are secured by a pledge of and lien upon and shall be a charge upon and shall be payable, as to the principal thereof and interest thereon, solely from and secured by a lien upon Revenues and other funds, assets and security described in the Master Resolution and under the Twenty-Third Supplemental Resolution. The Bonds shall be authorized and secured by the terms of Resolution No. HD-1475, adopted by the Board of Harbor Commissioners (the "Board") on November 8, 1989, as supplemented and amended by supplemental resolutions (the "Master Resolution"), including by a Twenty-Third Supplemental Resolution, to be adopted by the Board on [], 2019 (the "Twenty-Third Supplemental Resolution" and, together with the Master Resolution, the "Resolutions").

The Issuer will also enter into (a) an escrow agreement to be dated as of the Closing Date (as defined in Section 6 below) (the "Escrow Agreement") with U.S. Bank National Association ("U.S. Bank"), in its capacities as fiscal agent and escrow agent, (b) a fiscal agent agreement to be dated as of the Closing Date (the "Fiscal Agent Agreement") with U.S. Bank, in its capacity as fiscal agent (the "Fiscal Agent"), and (b) a continuing disclosure certificate, dated the Closing Date (the "Continuing Disclosure Certificate").

The Issuer hereby ratifies, confirms and approves the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated [], 2020, (which, including the cover page, inside cover pages and all appendices thereto, all documents and information incorporated therein by reference and all amendments and supplements thereto prior to the execution hereof is referred to herein as the "Preliminary Official Statement") in connection with the public offering of the Bonds by the Underwriters. The Issuer hereby represents to the Underwriters, as of the date hereof, that the Preliminary Official Statement previously furnished to the Underwriters was and is hereby "deemed final" by the Issuer as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "1934 Act"), except for the omission of offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, and any other terms of the Bonds as permitted and specified in Rule 15c2-12(b)(1) promulgated under the 1934 Act.

The Bonds shall be substantially in the form described in, and shall be issued and secured under and pursuant to, and shall be payable and subject to redemption as provided in, the Resolutions. The Issuer hereby approves the use by the Underwriters of the Official Statement, dated the date hereof, relating to the Bonds (which, including the cover page, inside cover page and all appendices thereto, all documents and information incorporated therein by reference and all amendments and supplements thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form is referred to herein as the "Official Statement").

The Issuer hereby agrees to deliver or to cause to be delivered to the Underwriters, at such addresses as the Underwriters shall specify, the Official Statement in "designated electronic format" (as defined in Rule G-32 of the Municipal Securities Rulemaking Board (the "MSRB")), to such addresses as the Underwriters shall specify, to enable the Underwriters to comply with the

obligations of the Underwriters pursuant to Rule 15c2-12(b)(4) promulgated under the 1934 Act, MSRB Rule G-32 and all other applicable rules of the MSRB. The Issuer agrees to deliver or cause to be delivered such Official Statements within seven business days after the execution hereof, but in any event at least two business days prior to the Closing Date and in sufficient time to accompany any confirmation that requests payment and to enable the Underwriters to comply with the rules of the MSRB. The Issuer also agrees that if the Official Statement is amended or supplemented after the date hereof, the Issuer will deliver or cause to be delivered to the Underwriters as many copies of such amendment or supplement as the Underwriters shall request to comply with the rules of the MSRB. The Representative agrees to file the Official Statement (including the Official Statement as it may be amended or supplemented and provided to the Representative) with the MSRB through its Electronic Municipal Market Access system within one business day after receipt from the Issuer, but in no event later than the Closing Date. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the Issuer and the Representative. If the Official Statement is prepared for distribution in electronic form, the Issuer hereby confirms that it does not object to distribution of the Official Statement in electronic form.

The Bonds are being issued to (a) current refund and defease all or a portion of the principal and interest on the City's Harbor Revenue Bonds, Series 2010A and Series 2010B and (b) paying the costs of issuing the Bonds.

The Bonds shall be dated as of their initial date of delivery and shall bear interest at the rates and mature in the principal amounts and in the years and shall be subject to redemption, all as set forth in Schedule I hereto.

3. Each Underwriter agrees to make a bona fide public offering of all of the Bonds, at prices not in excess of the respective initial public offering prices or at yields not lower than the yields set forth in Schedule I hereto. Each Underwriter also reserves the right to (i) over allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time.

4. Establishing the Issue Price

(a) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing (as hereinafter defined) an "issue price" or similar certificate, together with the supporting pricing wire(s) or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Bond Counsel (as hereinafter defined), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) [Except as otherwise set forth in Schedule I attached hereto,] the Issuer will treat the first price at which 10% of each maturity of Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriters shall report to the Issuer the price or prices at which it has sold to the public each maturity of the Bonds. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds. Schedule I attached hereto sets forth the maturities of the Bonds for which the

10% test has been satisfied as of the date of this Bond Purchase Agreement (the “10% Test Maturities”) and the prices at which the Underwriters have sold such 10% Test Maturities to the public.

(c) [With respect to the maturities of the Bonds that are not 10% Test Maturities, as described in Schedule I attached hereto (the “Hold-the-Price Maturities”), the Representative confirms that the Underwriters offered such maturities of the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto. The Issuer and the Representative agree that the restrictions set forth in the next sentence shall apply to the unsold Bonds of the Hold-the-Price Maturities, which the Representative will not allot to any other Underwriter during the period identified below, and which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Hold-the-Price Maturities, the Representative will neither offer nor sell unsold Bonds of any such maturity of the Hold-the-Price Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Representative have sold at least 10% of that maturity of the Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public.

The Representative shall advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether the Underwriters have sold 10% of that maturity of the Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public.]

(d) The Representative confirms that:

(1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

- (i) (A) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (B) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,

(ii) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below),

(iii) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(2) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Issuer acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement to adhere to the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) “public” means any person other than an underwriter or a related party,

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) “sale date” means the date of execution of this Purchase Agreement by all parties.

5. The Issuer hereby authorizes the use by the Underwriters of the Resolutions, the Escrow Agreement, the Fiscal Agent Agreement and the Official Statement, and any supplements or amendments thereto, and the information contained in each of such documents, in connection with the public offering and sale of the Bonds.

6. At 8:00 A.M., California time, on [], 2020 or at such other time or on such other business day as shall have been mutually agreed upon by the Issuer and the Representative (the “Closing Date”), the Issuer will deliver, or cause to be delivered, the Bonds to the Representative’s account against payment of the Series 2020 Purchase Price through the facilities of The Depository Trust Company (“DTC”) in New York, New York. Physical delivery of the Bonds shall be made to the Fiscal Agent, as agent for DTC under the Fast Automated Securities Transfer System. The Bonds will be in fully registered book-entry form, duly executed and registered in the name of Cede & Co. as nominee of DTC, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the Series 2020 Purchase Price by wire transfer in immediately available funds at the administrative offices of the Harbor Department at 415 West Ocean Boulevard, Long Beach, California 90892 or such other place as shall have been mutually agreed upon by the Issuer and the Representative. Such delivery of and payment for the Bonds as described in this paragraph is referred to herein as the “Closing.”

7. The Issuer represents, as of the date hereof, warrants and covenants to each of the Underwriters that:

(a) The City is a municipal corporation and chartered city duly organized and existing under its Charter and the Constitution and the laws of the State of California (the “State”). The Issuer is authorized by the provisions of Section 1211(b) of the Charter of the City, Title 3, Chapter 3.52, Division I of the Municipal Code of the City and in accordance with certain provisions of the Revenue Bond Law of 1941, Section 54300, et seq. of the Government Code of the State, is authorized, among other things, (i) to issue revenue bonds, such as the Bonds, for the purposes described in the Resolutions, and (ii) to secure the Bonds in the manner contemplated by the Resolutions;

(b) The Board had and will have the full right, power and authority to adopt the Resolutions and Resolution No. HD-[] adopted by the Board on [], 2019 (“Resolution No. HD-[]”);

(c) The Issuer has the full right, power and authority (i) to enter into the Fiscal Agent Agreement, the Escrow Agreement, this Bond Purchase Agreement and the Continuing Disclosure Certificate, (ii) to acknowledge and deliver (including, without limitation, through electronic means) the Preliminary Official Statement; (iii) to determine that the Preliminary Official Statement was substantially final within the meaning of Rule 15c2-12 promulgated under the 1934 Act; (iv) to prepare, execute and deliver (including, without limitation, through electronic means) the Official Statement; (v) to issue, sell and deliver the Bonds to the Underwriters as provided herein, and (vi) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the Issuer has complied with all provisions of applicable law in all matters relating to such transactions;

(d) The Issuer has duly authorized (i) the execution and delivery of the Bonds and the execution, delivery and due performance, as applicable, of this Bond Purchase Agreement, the Resolutions, the Official Statement, the Escrow Agreement, the Fiscal Agent Agreement and the Continuing Disclosure Certificate, and (ii) the taking of any and all such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such instruments;

(e) Upon issuance, the Bonds will be valid and binding special limited obligations of the City enforceable in accordance with their terms, and shall be secured by a pledge of and lien upon and shall be a charge upon and shall be payable, as to the principal thereof, interest thereon, solely from and secured by a lien upon Revenues and other funds, assets and security described in the Resolutions;

(f) This Bond Purchase Agreement is, and upon their execution and delivery the Fiscal Agent Agreement, the Escrow Agreement and the Continuing Disclosure Certificate will be, valid and binding obligations of the Issuer enforceable in accordance with their respective terms;

(g) Except for the Twenty-Third Supplemental Resolution, to be adopted by the Board on [], 2019 and to be in full force and effect as of Closing, all approvals and consents of the Issuer which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Resolutions, the Escrow Agreement, the Fiscal Agent Agreement, the Continuing Disclosure Certificate and the Bonds have been obtained and are in full

force and effect, in each case except such authorization, consent, approval, filing or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale or issuance of the Bonds (as to which no representation is made). Except for the Twenty-Third Supplemental Resolution, to be adopted by the Board on [], 2019, and to be in full force and effect as of Closing, no other material authorization, consent or approval of, or filing or registration with, any Governmental Authority (as defined below) or court is, or under existing requirements of law will be, necessary for the valid execution, delivery or performance by the Issuer of this Bond Purchase Agreement, the Escrow Agreement, the Fiscal Agent Agreement, the Continuing Disclosure Certificate or the Resolutions other than any authorization, consent, approval, filing or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale or issuance of the Bonds (as to which no representation is made). Except for the Twenty-Third Supplemental Resolution, to be adopted by the Board on [], 2019 and to be in full force and effect as of Closing, all authorizations, consents or approvals of, or filings or registrations with any Governmental Authority or court necessary for the valid issuance of, and performance by the Issuer of its obligations under the Bonds will have been duly obtained or made prior to the issuance of the Bonds (and disclosed to the Underwriters), except such authorization, consent, approval, filing or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale or issuance of the Bonds (as to which no representation is made). As used herein, the term “Governmental Authority” refers to any legislative body or governmental official, department, commission, board, bureau, agency, instrumentality, body or public benefit corporation;

(h) The adoption of the Twenty-Third Supplemental Resolution and execution and delivery of this Bond Purchase Agreement, the Escrow Agreement, the Fiscal Agent Agreement, the Continuing Disclosure Certificate and the Bonds, and compliance with the provisions thereof, will not conflict with or constitute a material breach of or default under (i) any material statute, indenture, mortgage, note or other agreement or instrument to which the Issuer is a party or by which it is bound, (ii) any provision of the State Constitution or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the Issuer (or the members of the Board or any of its officers in their respective capacities as such) is subject;

(i) Except as specifically disclosed in the Preliminary Official Statement and as will be specifically disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the City or the Board or, to the best knowledge of the Issuer, threatened, which in any way (i) questions the powers of the Issuer referred to in paragraphs (b) and (c) above, or the validity of any proceeding taken by the Issuer in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Bond Purchase Agreement, or of any other document or instrument required or contemplated by this financing; (ii) could adversely affect the validity or enforceability of the Bonds, the Resolutions, Resolution No. HD-[], the Escrow Agreement, the Fiscal Agent Agreement, the Continuing Disclosure Certificate or this Bond Purchase Agreement; (iii) questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or state tax laws or regulations; or (iv) could materially adversely affect the properties, operations or financial condition of the Harbor Department or the ability of the Issuer to pay principal of and interest on the Bonds when due or to otherwise perform any of its obligations under the Resolutions, the Escrow Agreement, the Fiscal Agent Agreement and the Continuing Disclosure Certificate;

(j) The Bonds will be issued in accordance with the Resolutions and will conform in all material respects to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement;

(k) Any certificate signed by any official or other representative of the Issuer, the Board or the Harbor Department and delivered to the Representative pursuant to this Bond Purchase Agreement shall be deemed a representation and warranty by the Issuer, the Board or the Harbor Department, as applicable (and not by such official or other representative in his or her individual capacity) to the Underwriters as to the truth of the statements therein made;

(l) The Issuer has never been in default at any time, as to principal of or interest on any obligation which it has issued, except as otherwise specifically disclosed in the Preliminary Official Statement and the Official Statement; and, other than the Resolutions, neither the Issuer nor the Board has entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Revenues pledged to the payment of the Bonds except as specifically disclosed in the Preliminary Official Statement and the Official Statement;

(m) Other than in the ordinary course of its business or as described in the Preliminary Official Statement and the Official Statement, between the date of this Bond Purchase Agreement and the Closing Date, the Issuer will not offer or issue any certificates, bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Revenues;

(n) The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Representative as the Representative may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Representative may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the initial distribution of the Bonds; provided, however, that the Issuer shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction or pay the cost or expense of any qualifications or determination;

(o) The information contained in the (i) Preliminary Official Statement (excluding therefrom the sentence specifically indicated as being provided by the Underwriters on page (ii), the information under the caption "UNDERWRITING" and relating to and provided by DTC, and permitted omissions as specified in Rule 15c2-12(b)(1) promulgated under the 1934 Act) is as of its date and the date hereof (including as supplemented and amended as of the date of its final supplement or amendment provided to the Underwriters on or before the date hereof) and (ii) the Official Statement (excluding therefrom the yield and price information on the inside cover pages, the sentence specifically indicated as being provided by the Underwriters on page (ii) and the information under the caption "UNDERWRITING" (collectively, the "Underwriter Information"), the information relating to or provided by DTC and CUSIP numbers), will be as of its date and as of the Closing Date, true and correct in all material respects. The Preliminary Official Statement (excluding therefrom the sentence specifically indicated as being provided by the Underwriters on page (ii), the information under the caption "UNDERWRITING" and relating to and provided by DTC, and permitted omissions as specified in Rule 15c2-12(b)(1) promulgated under the 1934 Act) as of its date did not and as of the date hereof does not (including as supplemented and amended as of

the date of its final supplement or amendment provided to the Underwriters on or before the date hereof) and the Official Statement (excluding therefrom the Underwriter Information, the information relating to and provided by DTC and CUSIP numbers), as of its date did not and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(p) If the Official Statement is supplemented or amended pursuant to paragraph (q) of this Section 7, at the time of each supplement or amendment thereto, the Official Statement as so supplemented or amended (excluding therefrom the Underwriter Information, the information relating to and provided by DTC and CUSIP numbers) will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(q) Between the date of this Bond Purchase Agreement and the date which is 25 days following the End of the Underwriting Period, as defined in Rule 15c2-12 promulgated under the 1934 Act (the “End of the Underwriting Period”), (i) if any event, fact or condition shall occur or become known which might or would cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Representative (and provide to the Representative such information concerning such event, fact or condition), and if in the opinion of the Representative or the Issuer such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Representative (which approval shall not be unreasonably withheld) so that the Official Statement, as so supplemented or amended, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Issuer will furnish to the Representative a sufficient number of copies of such supplement to or amendment of the Official Statement and (ii) the Issuer shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written notice to and approval of the Representative (which approval shall not be unreasonably withheld), and the Issuer and the Underwriters agree that they will cooperate in the preparation of any such supplement or amendment, and that the “End of the Underwriting Period” shall be the time of the Closing unless the Representative gives notice to the Issuer that an Underwriter retains an unsold balance of Bonds, in which case the “End of the Underwriting Period” shall be the first date as of which no Underwriter retains an unsold balance of the Bonds;

(r) The financial statements of, and other financial information regarding, the Harbor Department contained in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of the operations of the Harbor Department as of the dates and for the periods therein set forth, and, to the best of the Issuer’s knowledge, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, and (ii) the other historical financial information has been determined on a basis substantially consistent with that of the Harbor Department’s audited financial statements included in the Preliminary Official Statement and the Official Statement;

(s) The Issuer shall not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner

other than as provided in the Resolutions or which would cause the interest on the Bonds to be includable in gross income for federal income tax purposes; and

(t) Except as otherwise described in the Preliminary Official Statement and the Official Statement, the Issuer has not failed in the five-year period prior to the date hereof to comply in all material respects with any continuing disclosure undertakings with regard to Rule 15c2-12(b)(5) promulgated under the 1934 Act to provide annual reports or notices of certain enumerated events specified in such rule.

8. The Representative, on behalf of the Underwriters, has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the Issuer contained herein, the covenants of the Issuer contained in the Resolutions and the Continuing Disclosure Certificate, and the performance by the Issuer of its obligations hereunder, as of the date hereof and as of the Closing Date. The Underwriters' obligations under this Bond Purchase Agreement are and shall be subject to the following further conditions:

(a) The representations and warranties of the Issuer contained in Section 7 hereof shall be true, complete and correct on the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Representative at the Closing pursuant hereto shall be true, complete and correct at the Closing; the Issuer shall be in compliance with each of the agreements made by it in this Bond Purchase Agreement (unless such agreements are waived by the Representative); and there shall not have occurred an adverse change in the financial position, results of operations or financial condition of the Harbor Department which materially adversely affects the ability of the Issuer to pay principal of and interest on the Bonds when due or to otherwise perform any of its obligations under the Resolutions, the Escrow Agreement, the Fiscal Agent Agreement and the Continuing Disclosure Certificate.

(b) At the time of the Closing, the Official Statement, the Resolutions, Resolution No. HD-[], the Escrow Agreement, the Fiscal Agent Agreement, the Continuing Disclosure Certificate and this Bond Purchase Agreement shall be in full force and effect, and shall not have been amended, modified or supplemented (except as may be agreed to in writing by the Representative and the Issuer); all actions which, in the opinion of Kutak Rock LLP, Bond Counsel to the Issuer ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and the Issuer shall perform or have performed its obligations required under or specified in this Bond Purchase Agreement, the Official Statement, the Escrow Agreement the Fiscal Agent Agreement, the Continuing Disclosure Certificate and the Resolutions to be performed at or prior to the Closing;

(c) At the time of the Closing, the information in the Official Statement (excluding therefrom the Underwriter Information, the information relating to and provided by DTC and CUSIP numbers) (as amended and supplemented) shall be true and correct in all material respects, and the Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(d) (i) No default by the Issuer shall have occurred and be continuing in the payment of the principal of or premium, if any, or interest on any bond, note or other evidence of

indebtedness issued by the Issuer and (ii) no bankruptcy, insolvency or other similar proceeding in respect of the Issuer shall be pending or to the knowledge of the Issuer contemplated;

(e) The Underwriters may terminate this Bond Purchase Agreement by notification by the Representative to the Issuer if, at any time after the date hereof and prior to the Closing, in the Representative's reasonable opinion:

(i) the marketability of the Bonds, the market prices of the Bonds set forth in the Official Statement or the ability of the Underwriters to enforce contracts for the sale, at the contemplated prices (or yields), of the Bonds, in the judgement of the Representative, has been materially adversely affected by (A) an amendment to the Constitution of the United States of America or the State of California, (B) any legislation introduced in, enacted by, reported out of committee, or recommended for passage by the State of California, except as disclosed in the Preliminary Official Statement (as of the date hereof) or the Official Statement, by either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Internal Revenue Code of 1986, as amended (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House or (C) any decision of any court of the United States or by any ruling or regulation (final, temporary or proposed) shall be issued or proposed by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly), that the federal or state taxation of interest received by any holder of obligations of the same type and character as the Bonds;

(ii) there shall have occurred (1) any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war; or (2) any other calamity or crisis in the financial markets of the United States or elsewhere; or (3) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations; or (4) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against any state of the United States or any city, county or other political subdivision located in the United States having a population of over 1,000,000, which, in the judgment of the Underwriters, materially adversely affects the market price or marketability of the Bonds or

the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds;

(iii) (1) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's ("S&P"), or Fitch Ratings ("Fitch") of any debt securities issued by the Issuer, or (2) there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P or Fitch of any debt securities issued by the Issuer, including the Bonds;

(iv) a general banking moratorium shall have been declared by federal or New York or the State of California state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred which, in the judgment of the Underwriters, materially adversely affects the market price or the marketability for the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds;

(v) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have: (1) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Bonds or similar obligations; or (2) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers which, in the judgment of the Underwriters, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Bonds;

(vi) an event described in subsection (q) of Section 7 shall have occurred which in the reasonable opinion of the Representative (after consultation with the Issuer) requires the preparation and publication of a supplement or amendment to the Official Statement and (A) the Issuer refuses to allow the Official Statement to be supplemented or (B) the effect of the Official Statement as so supplemented, in the reasonable opinion of the Representative, is to materially adversely affect the marketability of the Bonds or the market prices of the Bonds set forth in the Official Statement or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields) of the Bonds;

(vii) a stop order, ruling, regulation or proposed regulation by the Securities and Exchange Commission or any other governmental agency

having jurisdiction of the of the subject matter shall hereafter be issued or made, the effect of which is that the issuance, offering, sale or distribution of the Bonds (including any related underlying obligations), as contemplated herein or in the Official Statement is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended and as then in effect, the 1934 Act, as then in effect, the Trust Indenture Act of 1939, as amended, and as then in effect, or any rule or regulation promulgated under any such Acts; or

(viii) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended (the “Securities Act”), or that the Resolutions or Fiscal Agent Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect; and

(f) At or prior to the Closing, the Representative shall receive the following documents:

(i) The opinion (or opinions) of Bond Counsel, dated the Closing Date, in substantially the form included in the Official Statement as Appendix C, addressed to the Issuer and the Underwriters (or accompanied by a reliance letter to the Underwriters);

(ii) A supplemental opinion of Bond Counsel, in form and substance satisfactory to the Representative, addressed to the Issuer and the Underwriters, dated the Closing Date, to the effect that:

a. the Bonds are exempt from registration pursuant to Section 3(a)(2) of the Securities Act of 1933, as amended, and the Resolutions and the Fiscal Agent Agreement are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

b. this Bond Purchase Agreement, the Escrow Agreement, the Fiscal Agent Agreement and the Continuing Disclosure Certificate have each been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto in the case of this Bond Purchase Agreement, the Escrow Agreement, and the Fiscal Agent Agreement, this Bond Purchase Agreement, the Escrow Agreement, the Fiscal Agent Agreement and the Continuing Disclosure Certificate each constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, subject to laws

relating to bankruptcy, moratorium, insolvency, reorganization or other laws affecting the enforcement of creditors' rights or remedies heretofore or hereafter enacted and are subject to general principles of equity regardless of whether such enforceability is considered in a proceeding in equity or at law;

c. the statements in the Official Statement under the captions "DESCRIPTION OF THE SERIES 2020 SENIOR BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 SENIOR BONDS," "TAX MATTERS," "CONTINUING DISCLOSURE," "APPENDIX B—SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR RESOLUTION," and "APPENDIX E – AMENDMENTS TO MASTER SENIOR RESOLUTION", insofar as such statements purport to summarize certain provisions of the Resolutions, the Fiscal Agent Agreement, the Continuing Disclosure Certificate or the Bonds, and the approving opinion of Bond Counsel, are accurate in all material respects; and

(iii) An opinion, dated as of the Closing Date and addressed to the Issuer and the Underwriters, of Bond Counsel, to the effect that upon issuance of the Bonds and the application of the proceeds thereof in accordance with the Escrow Agreement, the Refunded Bonds will be deemed to have been paid in full under the Master Resolution and shall no longer be secured by the or entitled to the benefits of the Master Resolution except for the purposes of payment from moneys held by the Fiscal Agent and Escrow Agent for such purposes;

(iv) An opinion of the City Attorney in form and substance as attached hereto as Exhibit A;

(v) Letters from Hawkins Delafield & Wood LLP, Disclosure Counsel to the Issuer, dated the Closing Date, addressed to the Issuer and the Underwriters, substantially in the forms attached hereto as Exhibit B;

(vi) An opinion of Nixon Peabody LLP, counsel to the Underwriters, dated the Closing Date, addressed to the Underwriters, to the effect that:

a. the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions and the Fiscal Agent Agreement are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

b. based upon their participation in the preparation of the Preliminary Official Statement and the Official Statement as counsel for the Underwriters and their participation at conferences at which the Preliminary Official Statement and the Official Statement were discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement, as of its date, or the Official Statement, as of its date or as of the date of the Closing, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for any financial, forecast,

technical and statistical statements and data included in the Official Statement and the information regarding DTC and its book-entry system and the appendices, in each case as to which no view need be expressed);

(vii) A certificate, dated the Closing Date, of the Issuer executed by the Executive Director or the Managing Director, Finance and Administration of the Harbor Department, to the effect that (A) the representations and warranties of the Issuer contained in this Bond Purchase Agreement are true and correct in all material respects as of the date of this Bond Purchase Agreement and as of the Closing, and the Issuer has complied with all agreements and covenants and satisfied all conditions contemplated by the Resolutions, the Official Statement, the Escrow Agreement, the Fiscal Agent Agreement, the Continuing Disclosure Certificate and this Bond Purchase Agreement and (B) the Official Statement (excluding therefrom the Underwriter Information, the information relating to or provided by DTC and CUSIP numbers), does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(viii) A certificate, dated the Closing Date, of the City, signed by a duly authorized officer of the City, to the effect that:

a. the City has full power and authority to perform its duties in accordance with the Trustee Services Agreement, dated as of the Closing Date (the "Trustee Services Agreement"), by and between the City and U.S. Bank, in its capacity as trustee (the "Trustee");

b. the City has duly taken all necessary action to approve the execution of the Trustee Services Agreement and has duly authorized, executed and delivered the Trustee Services Agreement and the performance by the City of the duties thereunder and, assuming due, valid and binding authorization, execution and delivery by the Trustee, the Trustee Services Agreement constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms;

(ix) Certified copies of the resolutions of the City and the Board relating to the Bonds and executed counterparts of this Bond Purchase Agreement, the Escrow Agreement, the Fiscal Agent Agreement, the Continuing Disclosure Certificate, the Trustee Services Agreement, the Official Statement and each of the other legal documents executed and delivered in connection with the issuance of the Bonds;

(x) A Tax Compliance Certificate of the Issuer, in form satisfactory to Bond Counsel, signed by an appropriate officer of the Issuer;

(xi) Evidence that the ratings on the Bonds of ["Aa2"] by Moody's and ["AA"] by Fitch, respectively, are in full force and effect on the Closing Date;

(xii) A certificate, dated the Closing Date, of U.S. Bank, signed by a duly authorized officer of the U.S. Bank, to the effect that:

a. U.S. Bank is a national banking association duly organized and validly existing under the laws of the United States of America and has full corporate power to undertake the duties of: (1) the Fiscal Agent and Trustee under the Master Resolution, the Twenty-Third Supplemental Resolution, the Fiscal Agent Agreement and the Trustee Services Agreement, as applicable and (2) the Fiscal Agent and Escrow Agent under the Escrow Agent Agreement;

b. U.S. Bank has duly taken all necessary corporate action to approve the execution of the Fiscal Agent Agreement, the Trustee Services Agreement and the Escrow Agreement, respectively, and has duly authorized, executed and delivered the Fiscal Agent Agreement, the Trustee Services Agreement and the Escrow Agreement and the performance by U.S. Bank of the duties thereunder and under the Master Resolution and the Twenty-Third Supplemental Resolution;

c. the Bonds have been duly authenticated and executed by the Fiscal Agent; and

d. to the best of such officer's knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on U.S. Bank (either in state or federal courts), or to the best of such officer's knowledge, threatened against or affecting U.S. Bank which would restrain or enjoin the execution or delivery of the Fiscal Agent Agreement, the Trustee Services Agreement or the Escrow Agreement or which would affect the validity or enforceability of the Fiscal Agent Agreement, the Trustee Services Agreement or the Escrow Agreement, or U.S. Bank's participation in, or in any way contesting the powers or the authority of U.S. Bank with respect to, the transactions contemplated by the Master Resolution, the Twenty-Third Supplemental Resolution, the Fiscal Agent Agreement, the Trustee Services Agreement, the Escrow Agreement or any other agreement, document or certificate related to such transactions;

(xiii) An opinion of Dorsey & Whitney LLP, counsel to U.S. Bank, in form and substance satisfactory to the Representative, dated the Closing Date, addressed to the Issuer, the City and the Underwriters, to the effect that:

a. U.S. Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America;

b. U.S. Bank has all requisite corporate power, authority and legal right to execute and deliver the Fiscal Agent Agreement, the Trustee Services Agreement and the Escrow Agreement and to perform its obligations thereunder and under the Master Resolution and the Twenty-Third Supplemental Resolution, and has authorized the execution and delivery of the Fiscal Agent Agreement, the Trustee Services Agreement and the Escrow Agreement and the performance of its obligations under the Fiscal Agent Agreement, the Trustee Services Agreement, the Escrow Agreement, the Master Resolution and the Twenty-Third Supplemental Resolution;

c. U.S. Bank has duly authorized, executed and delivered the Fiscal Agent Agreement, the Trustee Services Agreement and the Escrow Agreement.

Assuming the due authorization, execution and delivery thereof by the Issuer and the City thereto, as applicable, and adoption of the Master Resolution and the Twenty-Third Supplemental Resolution, the Fiscal Agent Agreement, the Trustee Services Agreement and the Escrow Agreement are the legal, valid and binding agreements of U.S. Bank, enforceable in accordance with their terms against U.S. Bank;

d. To our knowledge, the execution and delivery of the Fiscal Agent Agreement, the Trustee Services Agreement and the Escrow Agreement, and compliance with the provisions of the Fiscal Agent Agreement, the Trustee Services Agreement, the Escrow Agreement, the Escrow Agreement, the Master Resolution and the Twenty-Third Supplemental Resolution by U.S. Bank will not violate any provisions of any law or regulation governing U.S. Bank or any order of any governmental authority having jurisdiction over U.S. Bank.

e. To our knowledge, no authorization, approval, consent, or order of any governmental agency or regulatory authority having jurisdiction over U.S. Bank that has not been obtained by U.S. Bank is required for the authorization, execution, and delivery by U.S. Bank of the Fiscal Agent Agreement, the Trustee Services Agreement or the Escrow Agreement or the performance of the duties and obligations of U.S. Bank under the Fiscal Agent Agreement, the Trustee Services Agreement, the Escrow Agreement, the Master Resolution and the Twenty-Third Supplemental Resolution.

(xiv) A copy of the DTC Blanket Letter of Representations relating to the Bonds;

(xv) A copy of the Report of Proposed Debt Issuance required to be delivered to the California Debt and Investment Advisory Commission (“CDIAC”);

(xvi) A copy of the verification report by [], related to the Refunded Bonds in form and substance acceptable to Bond Counsel, the Issuer and the Representative; and

(xvii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the accuracy, as of the time of Closing, of the Issuer’s representations herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

If the Issuer shall be unable to satisfy the conditions to the Underwriters’ obligations contained in this Bond Purchase Agreement or if the Underwriters’ obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Issuer nor the Underwriters shall have any further obligation hereunder, nor any liability to any other party with respect to such termination. In the event that the Underwriters fail (other than for a reason permitted herein) to accept and pay for the Bonds at the Closing, the amount equal to one percent of the principal amount of the Bonds set forth in Section 1 hereof shall be full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. The acceptance of such amounts shall constitute a full release and discharge of all claims and rights of the Issuer against the Underwriters for such failure or default. The Underwriters and the Issuer understand that in such event the actual damages of the Issuer may be greater or may

be less than such amounts. Accordingly, the Underwriters hereby waive any right to claim that the actual damages of the Issuer are less than such sum, and the acceptance of this offer by the Issuer shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriters.

9. The performance by the Issuer of its obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder and (ii) receipt by the Issuer and the Representative of opinions and certificates being delivered at the Closing by persons and entities other than the Issuer.

10. (a) Except as provided below, the Underwriters shall be under no obligation to pay, and the Issuer shall pay or cause to be paid all expenses incident to the issuance and sale of the Bonds as herein provided, including but not limited to: (i) the cost of preparation, including word processing, printing and reproduction of the Bonds, the Fiscal Agent Agreement, the Escrow Agreement and the Trustee Services Agreement; (ii) the costs of printing, distribution and delivery of the Preliminary Official Statement and the Official Statement and any amendment or supplement thereto, in reasonable quantities, (iii) the fees for ratings agencies; (iv) the fees and expenses of the municipal advisor to the Issuer; (v) the fees and expenses of Bond Counsel and Disclosure Counsel for the Issuer; (vi) the fees and disbursements of any Fiscal Agent, Trustee, engineers, accountants, and other experts, consultants or advisers retained by the Issuer, if any, and (vii) the costs and expenses related to transportation, lodging and meals of Issuer personnel and advisors.

(b) The Underwriters shall pay from the expense component of the underwriters' discount all other expenses incurred by them in connection with the public offering and distribution of the Bonds, except as provided by the Issuer by agreement, including (i) the fees and disbursements of Underwriters' Counsel; (ii) all advertising expenses in connection with the public offering of the Bonds; (iii) the cost of preparation, distribution and delivery of greater than 20 copies of the Official Statement; (iv) the costs of traveling and expenses of selling the Bonds; (v) the fees charged by CDIAC; (vi) any fees charged by the MSRB; and (vii) Blue Sky fees. Notwithstanding that the Underwriters are required to pay the fees charged by CDIAC in connection with the offering of the Bonds, the Issuer agrees to reimburse the Underwriters for such fees.

11. Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing to Port of Long Beach, Administration Building, 415 West Ocean Boulevard, Long Beach, California 90892, Attention: Managing Director, Finance and Administration, or to such other person as he may designate in writing, and any notice or other communication to be given to the Representative under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing to:

Chris Mukai
Citigroup Global Markets Inc.
200 South Grand Avenue, 31st Floor
Los Angeles, CA 90071

The approval of the Representative when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by an authorized representative of the Representative and delivered to the Issuer.

12. For all purposes of this Bond Purchase Agreement, a default shall not be deemed to be continuing if it has been cured, waived or otherwise remedied. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed within such state.

13. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the Issuer and the Representative. If the Official Statement is prepared for distribution in electronic form, the Issuer hereby confirms that it does not object to distribution of the Official Statement in electronic form.

14. This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

15. This Bond Purchase Agreement when accepted by the Issuer in writing as heretofore specified shall constitute the entire agreement between the Issuer and the Underwriters and is made solely for the benefit of the Issuer and the Underwriters (including the successors or assigns of the Underwriters). No other person shall acquire or have any right hereunder or by virtue hereof. This Bond Purchase Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Bond Purchase Agreement; and (iii) any termination of this Bond Purchase Agreement.

16. The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Issuer and the Underwriters, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, each Underwriter is and has been acting solely as a principal and is not acting as an agent or fiduciary of the Issuer, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters) and no Underwriter has any obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, and (iv) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

17. This Bond Purchase Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

18. If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

19. For purposes of this Bond Purchase Agreement, “business day” means any day on which the New York Stock Exchange is open for trading.

20. This Bond Purchase Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Bond Purchase Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto. This Bond Purchase Agreement shall become a binding agreement between the Issuer and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.,
as Representative of the Underwriters

By: _____
Authorized Representative

ACCEPTED at _____ p.m. ET this _____ day of [], 2020:
CITY OF LONG BEACH,
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: _____
Deputy City Attorney

[Signature page to Bond Purchase Agreement]

SCHEDULE I

\$[]
CITY OF LONG BEACH, CALIFORNIA
HARBOR REVENUE REFUNDING BONDS
SERIES 2020A (PRIVATE ACTIVITY/NON-AMT)

Maturity Date (May 15)	Principal Amount	Interest Rate	Yield	Price
	\$	%	%	

\$[]
CITY OF LONG BEACH, CALIFORNIA
HARBOR REVENUE REFUNDING BONDS
SERIES 2020B (PRIVATE ACTIVITY/NON-AMT)

Maturity Date (May 15)	Principal Amount	Interest Rate	Yield	Price
	\$	%	%	

Optional Redemption. The Bonds maturing on or before [] are not subject to redemption prior to maturity. The Bonds maturing on or after [] shall be subject to redemption prior to maturity, at the option of the Board, as a whole or in part on any date, on or after [], at a Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on [] will be called prior to maturity and redeemed at a redemption price equal to the par amount thereof from Mandatory Sinking Account Payments which have been deposited in the Principal Account, in the amounts and upon the dates as follows:

EXHIBIT A

[LETTERHEAD OF CITY ATTORNEY]

[CLOSING DATE]

City of Long Beach
Harbor Department
415 West Ocean Boulevard
Long Beach, California 90892

Citigroup Global Markets Inc.
300 South Grand Avenue, 31st Floor
Los Angeles, California 90071

Backstrom McCarley Berry & Co., LLC
[Address]

RBC Capital Markets, LLC
[Address]

Stifel, Nicolaus & Company, Incorporated
515 South Figueroa Street, Suite 1800
Los Angeles, California 90071

U.S. Bank National Association
633 West Fifth Street
Los Angeles, California 90071

RE: City of Long Beach, California, Harbor Revenue Refunding Bonds, Series 2020A (Private Activity/Non-AMT) and Series 2020B (Private Activity/AMT)

Ladies and Gentlemen:

I am the City Attorney to the City of Long Beach, California (the “City”), a charter city organized and existing under the laws of the State of California (the “State”). I am rendering the opinions, views and conclusions set forth herein in connection with the issuance of the above-captioned bonds (the “Bonds”). The Bonds are authorized to be issued under the Charter of the City of Long Beach, California (the “City Charter”), Resolution No. HD-1475, adopted by the Board of Harbor Commissioners (the “Board”) on November 8, 1989, as amended and supplemented (the “Master Resolution”), Resolution No. HD-_____ adopted by the Board on [], 2019 (the “Twenty-Third Supplemental Resolution”), and Resolution No. [] of the City Council of the City, adopted on [], 2019 (the “City Council Resolution”). Collectively herein, the Master Resolution and the Twenty-Third Supplemental Resolution shall be referred to as the “Board Resolution.” All capitalized terms used herein or as the context otherwise requires, shall have the meanings set forth in the Board Resolution.

In such connection, I have examined and reviewed the Board Resolution; Resolution No. HD-[] adopted by the Board on [], 2019 (“Resolution No. HD-[]”); the City Council Resolution; the Fiscal Agent Agreement, dated [], 2020 (the “Fiscal Agent Agreement”), by and between the City, acting by and through the Board, and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”); the Escrow Agreement, dated [], 2020 (the “Escrow Agreement”), by and among the City, acting by and through the Board, the Fiscal Agent and U.S. Bank National Association, as escrow agent (the “Escrow Agent”); the Bond Purchase Agreement, dated [], 2020 (the “Bond Purchase Agreement”) by Citigroup Global Markets Inc., on behalf of itself and Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated, and accepted by the City, acting by and through the Board; the Continuing Disclosure Certificate, dated [], 2020 (the “Continuing Disclosure Certificate”), by the City, acting by and through the Board; the Official Statement, dated [], 2020 with respect to the Bonds (the “Official Statement”); the Tax Compliance Certificate, dated [], 2020 (the “Tax Compliance Certificate”), by the City, acting by and through the Board; the Trustee Services Agreement, dated [], 2020 (the “Trustee Services Agreement”), by and between the City and U.S. Bank National Association, as trustee (the “Trustee”); and such other documents and matters as I have deemed necessary to render the opinions, views and conclusions set forth herein (collectively, the “Reviewed Materials”). The Fiscal Agent Agreement, the Escrow Agreement, the Bond Purchase Agreement, the Continuing Disclosure Certificate and the Tax Compliance Certificate are collectively hereinafter referred to as the “Bond Documents.”

The opinions, views and conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. The enforceability of the Board Resolution, Resolution No. HD-[], the City Council Resolution, the Bond Documents and the Trustee Services Agreement, to the extent such opinions, views and conclusions are given herein, may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, or other laws affecting the enforcement of creditors’ rights and the application of equitable principles (regardless of whether the issue of enforceability is considered in a proceeding at law or in equity).

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, I am of the opinion that:

- (a) The City is a municipal corporation duly organized and validly existing under and by virtue of the City Charter and the Constitution and laws of the State of California;
- (b) The Board Resolution and Resolution No. HD-[] were duly adopted at meetings of the Board, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and have not been amended from the dates of their respective adoption;
- (c) The City Council Resolution was duly adopted at meeting of the City Council, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and has not been amended from the date of its respective adoption;
- (d) Except as disclosed in the Official Statement, to my knowledge, after due investigation (which only involved conversations with the City Clerk and the Administrative Officer of the Board), there is no action, suit, proceeding or investigation at law or in equity, before or by any court, public board or body pending, which has been served on the City, or

threatened against or affecting the City or the Board to restrain or enjoin the City's or the Board's participation in, or in any way contesting the existence of the City or the powers of the City and the Board with respect to, the transactions contemplated by the Board Resolution, Resolution No. HD-[], the City Council Resolution, the Bond Documents, the Official Statement and the Trustee Services Agreement and the consummation of such transactions;

(e) Except as disclosed in the Official Statement, there does not exist any action, suit, proceeding or investigation pending, or to my knowledge after due investigation (which only involved conversations with the City Clerk and the Administrative Officer of the Board) threatened, which if adversely determined, could (i) materially adversely affect (A) the financial position of the Department; (B) the ability of the City, acting by and through the Board, to perform its obligations under the Board Resolution, Resolution No. HD-[] and the Bond Documents; (C) the security of the Bonds; or (D) the transactions contemplated by the Board Resolution, Resolution No. HD-[], the Bond Documents and the Official Statement; or (ii) materially impair the ability of the City, acting by and through the Board, to maintain and operate the Port of Long Beach and all related facilities;

(f) To my knowledge, the adoption of the Board Resolution, the execution and delivery of the Bonds, the Bond Documents and the Official Statement and compliance with the terms thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the City or the Board a breach of or default under any agreement or other instrument to which the City and the Board are parties or by which they are bound or any court order or consent decree to which the City or the Board is subject;

(g) The Bonds have been duly issued, authorized, executed and delivered by the City and the Board;

(h) The Bond Documents and the Official Statement have been duly authorized, executed and delivered by the City, acting by and through the Board;

(i) The Trustee Services Agreement has been duly authorized, executed and delivered by the City; and

(j) To my knowledge, no authorization, approval, consent or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the City is required for the valid adoption of the Board Resolution or Resolution No. HD-[], or the valid authorization, execution and delivery by the City and the Board of the Bonds, the Bond Documents or the Official Statement.

Based upon, in reliance upon and subject to, as applicable, (i) the information made available to me in the course of my participation in the preparation of the Official Statement, (ii) the Reviewed Materials and (iii) the assumptions, qualifications and limitations contained in this letter, I advise the City, the Department and the Underwriters, as a matter of fact and not opinion, that no information came to my attention that caused me to believe that the information contained under the caption "LITIGATION" in the Official Statement, as of its date contained, or as of the date of this letter contains, any untrue statement of a material fact or, as of its date omitted, or as of the date of this letter omits, to state any material fact required to be stated therein or necessary to make the

statements made therein, in the light of the circumstances under which they were made, not misleading.

This letter is limited to the specific views and conclusions expressed herein, and no further opinions, views and conclusions are intended to be, or should be, inferred therefrom. By acceptance of this letter the City, the Department and the Underwriters acknowledge that any view or conclusion stated in the preceding paragraph constitutes neither a legal opinion nor a guarantee regarding the Official Statement. Instead, any such views and conclusions constitute a statement of negative assurance regarding my view and conclusion as to any material misstatements or omissions in the Official Statement based on the limited activities discussed above performed by me. Further, in accepting this letter the City, the Department and the Underwriters recognize and acknowledge that (i) the scope of those activities performed by me were inherently limited and do not encompass all activities that the City, the Department or an Underwriter, as the case may be, may be responsible to undertake in preparing and/or reviewing the Official Statement, (ii) those activities performed by me relied substantially on representations, warranties, certifications and opinions made by the City, the Department, the Board and the Underwriters and are otherwise subject to the matters set forth in this letter and (iii) while such statements of negative assurance are customarily given to underwriters of municipal bonds to assist them in discharging their responsibilities under federal securities laws, the responsibilities of the City and the Department under those laws may differ from those of underwriters in material respects, and my views and conclusions may not serve the same purpose or provide the same utility as it would to underwriters. I advise the City, the Department and the Underwriters that, other than reviewing the various certificates and opinions regarding the Official Statement delivered in connection with the issuance of the Bonds, I have not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Official Statement as of the date hereof. My conclusion in the preceding paragraph is limited to matters of federal securities laws and I assume no responsibility with respect to the applicability or effect of the laws of any other jurisdiction.

I am a member of the Bar of the State of California. Accordingly, my opinions, views and conclusions are only rendered in respect of the laws of the State of California and to the extent that my opinions, views and conclusions extend to any document which purports to be governed by the laws of any jurisdiction other than the laws of the State of California, my opinion, views and conclusions assume that the laws of any such other jurisdiction are identical to the laws of the State of California. The opinions, views and conclusions given herein are given in an official capacity and not personally and no personal liability shall derive therefrom.

I have no attorney-client relationship with the Underwriters with respect to this matter. This letter is not intended to be, and may not be, relied upon by the owners of the Bonds. I am rendering this letter to you solely for your benefit upon the understanding that, as I have advised you and as you have agreed, I am not hereby assuming any professional responsibility to any other person whatsoever. This letter may not be used or relied upon by or published or communicated to any other party for any purpose whatsoever without my prior written approval in each instance; except that copies of this letter may be used, published or communicated to (collectively, "published") to (a) any accountant or lawyer for any person entitled to rely upon this letter or to whom it may be published or (b) pursuant to the order of any court or regulator of any person entitled to rely upon this letter or to whom it may be published.

Very truly yours,

J. CHARLES PARKIN, City Attorney

By: _____
Deputy City Attorney

The Preliminary Official Statement and the Official Statement are each the Issuer's document and as such the Issuer is responsible for the content of each. The statements made and the information contained in the Preliminary Official Statement and the Official Statement were reviewed for their accuracy, completeness, and materiality by representatives of the Issuer. The purpose of our engagement was not to independently establish, confirm, or verify the factual matters set forth in the Preliminary Official Statement or the Official Statement and we have not done so. Moreover, many of the determinations required to be made in the preparation of the Preliminary Official Statement and the Official Statement involve wholly or partially matters of a non-legal character. We do not, therefore, take any responsibility for the factual matters set forth in the Preliminary Official Statement or the Official Statement and we undertake herein only to express certain limited negative assurances regarding the same.

The purpose of our engagement by you as the Issuer was to provide certain limited negative assurances to the Underwriters. In separately requesting and accepting this letter, you recognize and acknowledge that: (i) the scope of those activities performed by us were inherently limited and do not encompass all activities that you as the Issuer may be responsible to undertake in preparing the Preliminary Official Statement and the Official Statement; (ii) those activities performed by us relied substantially on representations, warranties, certifications and opinions made by representatives of the Issuer and others, and are otherwise subject to the matters set forth in this letter; and (iii) while such statements of negative assurance are customarily given to underwriters of municipal bonds to assist them in discharging their responsibilities under the federal securities laws, the responsibilities of the Issuer under those laws may differ from those of Underwriters in material respects, and this letter may not serve the same purpose or provide the same utility to you as the Issuer as it would to the Underwriters.

In giving the limited assurances hereinafter expressed, we are not expressing any opinion or view on, but have ourselves assumed and relied upon, the validity, accuracy and sufficiency of the records, documents, certificates and opinions executed and delivered in connection with the issuance of the Series 2020 Senior Bonds. Without limiting the foregoing statement, we have relied, without independently opining upon the legal conclusions expressed and without independently verifying the factual matters represented, on the legal opinions that we have reviewed.

Also, this letter does not address: (i) CUSIP numbers; (ii) any financial statements contained in the Preliminary Official Statement and the Official Statement, including any information in Appendix A to the Preliminary Official Statement and the Official Statement; (iii) any financial, demographic, statistical or economic data, estimates, projections, numbers, assumptions, charts, graphs, tables, or expressions of opinion contained in the Preliminary Official Statement and the Official Statement; (iv) the TAX MATTERS section; (v) information relating to the book-entry-only system, including information in Appendix F to the Preliminary Official Statement and the Official Statement; and (vi) information in Appendix A, B, C, E and F to the Preliminary Official Statement and the Official Statement.

In our capacity as special Disclosure Counsel, we participated in meetings and conference calls with representatives of the City of Long Beach, the Harbor Department of the City of Long Beach, the City Attorney, Public Resources Advisory Group, as Municipal Advisor, Kutak Rock LLP as Bond Counsel, the Underwriters, counsel to the Underwriters, and

others, during which the contents of the Preliminary Official Statement and the Official Statement were discussed and reviewed. Based upon such participation, and information disclosed to us in the course of our representation of the Issuer as special Disclosure Counsel, considered in light of our understanding of the applicable law and the experience we have gained through our practice of law, and subject to all of the foregoing in this letter including the qualifications respecting the scope and nature of our engagement, we advise you, as a matter of fact but not opinion, that, during the course of our engagement as special Disclosure Counsel with respect to the Preliminary Official Statement and the Official Statement, (i) no facts came to the attention of the attorneys of our firm rendering legal services in connection with this matter that caused them to believe that the Preliminary Official Statement, as of the date of the Preliminary Official Statement contained any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and (ii) no facts came to the attention of the attorneys of our firm rendering legal services in connection with this matter that caused them to believe that the Official Statement, as of the date of the Official Statement or as of the date of the Closing, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. During the period from the date of the Official Statement to the date of this letter, except for our review of the transcript of proceedings relating to the issuance of the Series 2020 Senior Bonds and the certificates and opinions regarding the Series 2020 Senior Bonds and the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended to or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Official Statement.

This letter refers only to disclosure relating to the Series 2020 Senior Bonds as delivered to the Underwriters by the Issuer, and no view is expressed as to any offering of derivative instruments, if any, relating to the Series 2020 Senior Bonds.

We assume no obligation to update, revise or supplement this letter to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or for any other reason.

We are not expressing any opinion with respect to the authorization, execution, delivery or validity of the Series 2020 Senior Bonds, or the exclusion from gross income for federal income tax purposes of interest on the Series 2020 Senior Bonds.

This letter is furnished by us solely for your benefit in your capacity as the Issuer and as the Representative of the Underwriters and may not be relied upon by any other person or entity, except as may be expressly authorized by us in writing. This letter is being delivered to the Representative of the Underwriters to satisfy Section 8(f)(v) of the Bond Purchase Agreement, is not intended to create and does not create an attorney-client relationship with the Underwriters, and may not be sufficient in itself to satisfy whatever responsibilities the Underwriters may have to establish a reasonable basis for belief in the accuracy of the key representations in the Preliminary Official Statement or the Official Statement or otherwise to satisfy their obligations under applicable securities laws. This letter is not to be used, circulated, quoted or otherwise referred to in connection with the offering of the Series 2020 Senior Bonds, except that reference

may be made in any list of closing documents pertaining to the issuance of the Series 2020 Senior Bonds.

Very truly yours,

EXHIBIT C

**ISSUE PRICE CERTIFICATE
(Representative)**

**§[]
CITY OF LONG BEACH, CALIFORNIA
HARBOR REVENUE REFUNDING BONDS**

Relating to:

**§[PARA]
City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2020A
(Private Activity/Non-AMT)**

**§[PARB]
City of Long Beach, California
Harbor Revenue Refunding Bonds
Series 2020B
(Private Activity/AMT)**

The undersigned Citigroup Global Markets Inc. (the “Representative”), on behalf of itself, on Backstrom McCarley Berry & Co., LLC, RBC Capital Markets, LLC, and Stifel, Nicolaus & Company, Incorporated (collectively, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the [Bonds][10% Maturities].*** As of the date of this Certificate, for each Maturity of the [Bonds][10% Maturities], the first price at which a Substantial Amount of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the [Bonds][Undersold Maturities].***

(a) The Underwriters offered the [Bonds][Undersold Maturities] to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, the Representative agreed in writing that, for each Maturity of the [Bonds][Undersold Maturities], it will not allot unsold [Bonds][Undersold Maturities] to any co-managers or selling group members during the Offering Period, it would neither offer nor sell any of the unsold Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, the Representative has not offered or sold any unsold Bonds of any Maturity of the [Bonds][Undersold Maturities] at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. ***Pricing Wire or Equivalent Communication.*** A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

4. ***Defined Terms.***

(a) *10% Test Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “10% Test Maturities.”

(b) *Issuer* means the City of Long Beach, California, acting by and through its Board of Harbor Commissioners.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

[(d) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the Underwriters have sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.]

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Regulatory Underwriter or a related party to a Regulatory Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Regulatory Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [], 2020.

(h) *Substantial Amount* means ten percent.

[(i) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the “Undersold Maturities.”]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Kutak Rock LLP, as Bond Counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal

Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Department from time to time relating to the Bonds.

CITIGROUP GLOBAL MARKETS INC., as
Representative of the Underwriting Group

By _____
Authorized Representative

Dated: _____, 2020

SCHEDULE A

SALE PRICES OF THE BONDS

\$[]
CITY OF LONG BEACH, CALIFORNIA
HARBOR REVENUE BONDS, SERIES 2020A
(PRIVATE ACTIVITY/NON-AMT)

Maturity Date (May 15)	Principal Amount	Interest Rate	Yield	Price
	\$	%	%	

\$[]
CITY OF LONG BEACH, CALIFORNIA
HARBOR REVENUE BONDS, SERIES 2020B
(PRIVATE ACTIVITY/AMT)

Maturity Date (May 15)	Principal Amount	Interest Rate	Yield	Price
	\$	%	%	

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)