REQUEST FOR PROPOSAL

for

Letter of Credit or Revolving Credit Facilities

RFP Number: 18-19/07

PORT OF OAKLAND

PURCHASING DEPARTMENT
530 WATER STREET
OAKLAND, CA 94607

PORT OF OAKLAND

REQUEST FOR PROPOSAL

RFP No.: 18-19/07 Letter of Credit or Revolving Credit Facilities

The Port of Oakland (the "Port"), Oakland, California, through the Purchasing Department, is hereby soliciting competitive proposals for the above-mentioned project. The successful Respondent will be required to furnish all labor, material, equipment, supplies, applicable taxes, insurance, bonding, and licenses to complete this project.

Proposal Information

Proposal Title	**Letter of Credit or Revolving Credit Facilities**
Proposal Type	**Service**
Proposal Number	**18-19/07**
Proposal Issued	**January 18, 2019**
Department Requesting Services	**Finance & Administration**
Proposal Due Date	**February 11, 2019 until 11:00 a.m., PST**

Instructions for Submitting Proposals

Submittal Address	Port of Oakland Purchasing Department Attn: **Eva Chiu** 530 Water Street Oakland, CA 94607
Submittal Copies	One (1) Original copy clearly marked "Original", three (3) Copies marked "Copy", one electronic copy (disc or USB drive).
Submittal Envelope Requirements	Proposal must be sealed and have the following information clearly marked and visible on the outside of the envelope: • Proposal Number • Name of Your Company • Address • Phone Number
Late Submittals	Proposals received after the time and date stated above shall be returned unopened to the Respondent.

How to Obtain Proposal Documents

Copies of the Proposal documents may be obtained at:

Location	Address
Physical	Port of Oakland--Purchasing Department 530 Water Street, Oakland, CA 94607

	Monday through Friday 9:00 AM to 4:00 PM (510) 627-1526
Website	http://www.portofoakland.com/business/bids-rfps/ Or navigate to the Port of Oakland's main website at: http://www.portofoakland.com/, then click on "Bids/RFPs" from the banner on the top of the page, and then scroll down to download the RFP.

Questions about the Proposal

Questions and/or Requests for Information (RFI) must be submitted in writing and can be submitted by fax or email as follows:

Primary Contact	Eva Chiu Fax: (510) 893-2812 Email: (echiu@portoakland.com)
Question/RFI Due Date	**January 25, 2019 until 4:00 p.m.** Please submit questions as soon as possible. No questions regarding the specifications will be responded to after the above date. All pertinent questions will be responded to and answered in writing no later than the Response Date listed below.
Response Date	**February 1, 2019** All pertinent questions will be responded to **via addendum** faxed (or emailed) to all prospective proposers and placed on the Port's website. Proposers who did not receive a copy of the addendum should download it from the Port's website. See the "How to Obtain Proposal Documents" section for our web address. All addenda must be acknowledged on the RFP Acknowledgement and Signature form.

Once the RFP is issued, and until a recommendation for award is made to the Board of Port Commissioners at a public Board of Port Commissioners meeting (or in cases where a recommendation for award does not require a public Board meeting, when Respondents are notified by Port staff of the recommendation for award), each Proposer and its representatives, agents, and affiliates, shall not contact members of the Evaluation Committee, Port staff or the Board of Port Commissioners to discuss or ask questions about the contents of this RFP or the selection process. All questions shall be submitted in writing as described in this RFP. Any inappropriate contact by a Respondent, its representatives, agents, and/or affiliates may result in the Respondents' proposal being disqualified.

Full Opportunity

The Port's policy prohibits discrimination or preferential treatment because of race, color, religion, sex, national origin, ancestry, age (over 40), physical or mental disability, cancer-related medical condition, a known genetic pre-disposition to a disease or disorder, veteran status, marital status, or sexual orientation. It is the policy of the Port of Oakland to encourage and facilitate full and equitable opportunities for small local businesses to participate in its contracts for the provision of goods and services. It is further the Port's policy that no discrimination shall be permitted in small local business participation in Port contracts or in the subcontracting of Port contracts. The successful Respondent shall comply with the Port's non-discrimination policy.

Title VI Solicitation Notice: The Port of Oakland, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

The Port reserves the right to reject any or all proposals, to waive any irregularities or informalities not affected by law, to evaluate the proposals submitted, and to award the contract according to the proposal which best serves the interests of the Port.

John Banisadr,
Port Purchasing Manager

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Attachments:

Title		Must Be Returned with Proposal
1	Non-Collusion Declaration	Yes
2	Statement of Equal Employment Opportunity	Yes
3	RFP Acknowledgement and Signature Form	Yes
4	Proposal Worksheet	Yes
5	Port of Oakland Non-Discrimination and Small Local Business Utilization Policy A. Chart for Submitting Data for Calculation of Preference Points B. Local Participation Questionnaire	Yes Attachment 5-A and 5-B are required with the Proposal. (Note: If you are submitting a new Certification Application for preference points, then your completed application is due 7 business days prior to the proposal due date.)
6	Non-Discrimination and Small Local Business Utilization Policy Program Affidavit	Yes
7	City of Oakland City Charter §728 Living Wage Information A. Employer Self-Evaluation for Port of Oakland Living Wage B. Certificate of Compliance—Living Wage	No (Attachment 7-A and 7-B are required after contract award.)
8	Statement of Living Wage Requirements	Yes

Attachments (Cont'd.):

Title		Must Be Returned with Proposal
9	Form of Reimbursement Agreement	Yes[1] Respondents should include this document in their proposals, updated with their desired changes.
10	Commercial Paper Trust Indenture dated October 1, 1998 Commercial Paper Trust Indenture dated September 1, 1999	No The Commercial Paper Trust Indentures are provided for the reference of the respondents.[2]
11	Offering Memorandum	No The current Offering Memorandum for the Port's CP program, dated June 14, 2018 is provided for the reference of the Respondents.
12	Comprehensive Annual Financial Report for the Years Ended June 30, 2018 and 2017 ("CAFR")	No The CAFR is provided for the reference of the Respondents.
13	One Year Operating and Capital Budget Fiscal Year Ending June 30, 2019; Five-Year Operating Forecast and Capital Improvement Program Fiscal Years Ending June 30, 2019 through 2023	No Describes the Port's anticipated capital funding needs, as well as an estimate of future debt issuance.

[1] The attached *Form of Reimbursement Agreement* contains contracting terms that are acceptable to the Port. While intended for a CP program, the individual provisions contained in the form agreement would also be reflective of acceptable provisions in a contract establishing an alternative short-term financing program. Unless otherwise proposed, banks are expected to conform to the attached form of agreement. Please note in the RFP response any modifications that your bank is requesting to Attachment 9. Any terms and conditions to which objections are not noted in the respondent's RFP submittal will be considered acceptable to the bank.

[2] Note that minor indenture amendments to allow refinancing of a series of CP Notes with a different series having the same tax status are under consideration.

I. Project Overview

The Port of Oakland, California (the "Port") is seeking proposals from interested banks to obtain a credit facility to help accommodate its short-term funding needs.

Currently, the Port utilizes a commercial paper ("CP") program for this purpose. This program has been authorized to a maximum of $300 million[3], and as of January 18, 2019, $98,826,000 of Commercial Paper Notes (the "Notes") are outstanding. The Notes were originally offered in October 1998 and are currently supported by two Letters of Credit ("LOC") issued by Bank of America, N.A. One LOC supports $150 million of principal plus contingent interest and the other LOC supports $50 million of principal plus contingent interest. Goldman, Sachs & Co. serves as Dealer on the Notes. Montague DeRose and Associates, LLC serves as municipal advisor to the Port. US Bank acts as the paying agent.

The Notes represent a subordinate lien on the Pledged Revenues of the Port. In addition, the Port has the following principal amounts of debt outstanding, each of which is senior to the Notes.

- $637,100,000 issued under a Senior Trust Indenture, and divided into the following bond series
    - 2011 Series O (AMT) Refunding Revenue Bonds ($274.03 million outstanding);
    - 2012 Series P (AMT) Refunding Revenue Bonds ($363.07 million outstanding).
- $3,902,450 balance on a loan from the State of California Division of Boating & Waterways, which is subordinate to the above Senior Lien debt, but senior to the Intermediate Lien debt below.
- $218,255,000 issued under an Intermediate Trust Indenture, and divided into the following bond series:
    - 2017 Series D (Private Activity/AMT) Refunding Revenue Bonds ($95.875 million outstanding);
    - 2017 Series E (Governmental/non-AMT) Refunding Revenue Bonds ($71.46 million outstanding);
    - 2017 Series F (Private Activity/non-AMT) Refunding Revenue Bonds ($13.355 million outstanding).
    - 2017 Series G (Federally Taxable) Refunding Revenue Bonds ($37.565 million outstanding).

The Port's senior long-term debt ratings are as follows:

Moody's:	A1
Standard & Poor's:	A+
Fitch:	A+

About the Port of Oakland
The Port of Oakland was established in 1927 and oversees the Oakland seaport, Oakland International Airport, Commercial Real Estate, and 20 miles of waterfront. The Oakland seaport is the seventh busiest container port in the U.S.; Oakland International Airport is the second largest San Francisco Bay Area airport offering over 300 daily passenger and cargo flights; and the Port's real estate includes commercial developments such as Jack London Square and hundreds of acres of public parks and conservation areas. Together, through Port operations and those of its tenants and users, the Port supports nearly 73,000 jobs in the region and over 827,000 jobs across the United States. The Port is an independent department of the City of Oakland.

[3] Please note, of the $300 million authorized by the Board, the current size of the Port's CP program amounts to only $200 million principal amount, supported by its current LOCs.

II. Scope of Services

The Port is seeking proposals which either (a) would replace the LOCs described above to continue the current CP program, or (b) would establish a new program using an alternative short-term financing product. Each existing LOC expires on June 30, 2019, and the Port seeks to complete the replacement program by no later than June 14, 2019.

LOC respondents should have at least one long-term rating equivalent to A+ and at least two short-term ratings of P-1, A-1, and F1 from Moody's Investor Service, Standard & Poor's Ratings Service, and Fitch Ratings, respectively, to provide a letter of credit facility (the "Letter of Credit Facility") to secure the principal and interest of the Port's outstanding Commercial Paper Notes ("the Notes"). This rating criteria does not apply to alternative bank credit proposals

III. Port Policy

The selected Respondent will be required to comply with the following Port policies:

1. Non-Discrimination and Small Local Business Utilization Policy (NDSLBUP):

   The Port desires to maximize the participation of small local business and has instituted a Non-Discrimination and Small Local Business Utilization Policy (NDSLBUP). The NDSLBUP consists of two parts:

   - Non-Discrimination policy which all Suppliers (Respondents) must adhere to, by providing the enclosed "Non-Discrimination and Small Local Business Utilization Policy Program Affidavit" **(Attachment 6)** with their proposals
   - Preference points are awarded to small local businesses who qualify under the Port's definition of a small local business. In order to qualify for preference points, Suppliers (Respondents) must be either certified by the proposal due date or may apply online at: http://srd.portofoakland.com/. The application and any supporting documentation must be submitted to the Port's Social Responsibility Division seven (7) business days prior to the proposal due date. To apply, please click on the link entitled "Register New Company" and follow the instructions.

   A summary of the Port's Non-Discrimination and Small Local Business Utilization Policy is included herein as **(Attachment 5)**. The entire policy is available at:

   http://www.portofoakland.com/files/PDF/responsibility/NDSLBUP_00810.pdf

   Suppliers already certified with the Port do not need to submit proof of certification, but still need to check the Port's certification database at: http://srd.portofoakland.com/ to ensure their certification has not expired and must fill out the Chart for Submitting Data for Calculation of Preference Points **(Attachment 5-A)**, and the Local Participation Questionnaire **(Attachment 5-B)**, and submit them with your proposal. All Suppliers (Respondents) must still provide proof of adhering to the Port's Non-Discrimination policy by submitting the NDSLBUP Program Affidavit.

   A copy of the Port-certified Small Local Business Enterprises can also be downloaded at: http://srd.portofoakland.com/

   For questions or assistance regarding NDSLBUP, contact Ms. Connie Ng-Wong, Contract Compliance Officer, (510) 627-1390, at the Port's Social Responsibility Division, or fax requests to (510) 451-1656.

2. Living Wage Policy:

On March 5, 2002, the voters in the City of Oakland passed Measure I, adding to the City Charter Section 728 ("§728") entitled "Living Wage and Labor Standards at Port-assisted Businesses." §728 requires Port Aviation and Maritime businesses that meet specified minimum threshold requirements to pay all nonexempt employees a Living Wage rate established by City Ordinance and adjusted annually based on the Consumer Price Index for the San Francisco, Oakland, and San Jose area. The current Living Wage rate as of July 1, 2018 is at least $13.75 with credit given to the employer for the provision to covered employees of health benefits, and $15.78 without credit for the provision of health benefits. Specifically, §728 applies to Port contractors and financial assistance recipients with the Aviation or Maritime divisions that have contracts worth more than $50,000 and that employ more than 20 employees who spend more than 25% of their time on Port-related work. §728 also provides covered employers with incentives to provide health benefits to employees, establishes a worker retention policy, requires covered employers to submit quarterly payroll reports and requires covered employers to allow Port representatives access to payroll records in order to monitor compliance and labor organization representatives access to workforces during non-work time and on non-work sites. Covered employers are responsible for complying with the provisions of §728 from the date the covered contract is entered into. When a contract is awarded, the Respondent will be required to fill out the attached Employer Self-Evaluation for Port of Oakland Living Wage Form **(see Attachment 7-A)** and Certificate of Compliance—Living Wage **(see Attachment 7-B)** and return them to the Social Responsibility Division. (i.e., do not include these forms in with your proposal). For more information, please call Connie Ng-Wong in the Port of Oakland's Social Responsibility Division at (510) 627-1390.

Respondent shall acknowledge reviewing the Port's Living Wage program and compliance, by submitting the Statement of Living Wage Requirement **(Attachment 8)** with their proposal.

IV. Submission Requirements

Proposals must conform to the information and attachments provided, including any amendments made to the RFP and responses to questions. Banking institutions must address each of the following parts. Responses should be concise with emphasis placed on completeness and clarity of content.

Proposals should only include information essential to meet the requirements of the RFP. Unnecessarily elaborate proposals or proposals containing excessive marketing materials are discouraged. The detailed requirements stated in this "Submission Requirements" section are mandatory. Failure to respond to specific requirements may be the basis for elimination from further consideration.

The proposal should be executed by an individual authorized to bind your institution and should state in the transmittal or cover letter that the proposal remains a firm offer through July 1, 2019.

As noted herein, proposals will be reviewed and evaluated by the Port. The Port will not be liable for any errors in proposals from banking institutions. Banking institutions may not be allowed to correct, amend, or resubmit proposal documents after the submission deadline, except as set forth in the following paragraph:

The Port reserves the right to permit corrections or amendments to a response due to errors identified by the Port or the banking institution. This type of amendment may only be allowed for such errors as typing, transposition, omission, or any other obvious error. Banking institutions are liable for all errors or omissions contained in their responses.

Company Information

Provide the name of your firm, (including the name of any parent company) and Federal Tax ID number.

Please also provide the name, title and contact information (address, email, telephone and fax numbers) of the Respondent staff member(s) who will be responsible for this RFP. If this person is not authorized to sign an agreement on behalf of the Respondent, please also provide the name, title and contact information of an authorized signer.

Amount:

A principal amount of $200,000,000. A minimum proposal for any one facility should be $100,000,000. For a LOC supporting a CP program, an additional interest coverage amount should be added representing interest accrued for 270 days at 12 percent per annum, based on a 360-day year.

Pricing:

All proposals must utilize either of the pricing matrices attached in this section as **(Attachment 4)**. The Port would like pricing terms for both the utilized and unutilized portions.

(a) Indicate the annual fee on both a utilized and unutilized basis, based on the amount of your commitment. The annual fee should be payable no more frequently than quarterly in arrears. Indicate the up-front fee, if any.

(b) Fees will be payable based upon the actual days elapsed divided by a 365 or 366-day year, as applicable.

Term:

Fee quotes are requested with terms of two or three years with provisions for renewal. Longer terms may also be provided, at the Respondent's discretion.

The Port reserves the right to terminate all or a portion of the facility at any time upon thirty (30) days written notice to the institution. The Port would prefer to terminate the facility without penalty. Please indicate in the Pricing Matrix, attached as Attachment 4, if your bank would charge any fee for early termination.

Interest Rate:

For LOCs, the Port desires that its borrowing rate under the CP facility be based on the Federal Funds rate or Prime Rate. All interest charge calculations should be based on 365 or 366-day year and the actual numbers of days elapsed, as applicable. Alternative products may use a different day count.

Contractual Requirements:

While intended for a CP program the *Form of Reimbursement Agreement* ("Form Agreement"), attached as Attachment 9 contains contracting terms that are acceptable to the Port, and would also be applicable to alternative short-term financing products.

Banking institutions may propose revisions to the Form Agreement. Proposals contingent upon material revisions to the substance of the Form Agreement may be rejected. It is extremely important that **you clearly state in your response either (i) your consent to the form of the Form Agreement, or (ii) any proposed changes to (Attachment 9), along with the exact language being proposed. Failure to do so may be considered non-responsive.**

Unless otherwise proposed, responding banks are expected to conform to the terms of the Form Agreement. If you are not proposing changes,

please expressly state in your response acceptance of these Contractual Requirements. RFP responses that do not indicate acceptance of the terms in **(Attachment 9)** may be considered non-responsive.

Legal Opinions:

Legal opinions (and any qualifications thereto by the responding bank) must be in a form acceptable to the Port. The opinion must also address any additional requirements imposed by the rating agencies and the dealer. Legal opinions must be to the effect that (i) the descriptions of the Letter of Credit and the Reimbursement Agreement in the Offering Memorandum are true and correct in all material respects; (ii) draws under the Letter of Credit are not subject to treatment as preference payments in the event of a bankruptcy of the City or the Port, and (iii) the Letter of Credit is exempt from registration requirements of the Securities Act of 1933, as amended. The Port expects to receive legal opinions relating to the validity and enforceability of the institution's obligations under the Letter of Credit from the institution's U.S. counsel and also from foreign counsel in the case of foreign institutions. In the case of foreign institutions, a satisfactory legal opinion concerning the ranking of the bank's obligations under the Letter of Credit in its home jurisdiction, the validity of New York law as the governing law of the Letter of Credit and the enforceability of a foreign judgment against the bank in its home jurisdiction in respect of the Letter of Credit may also be required. Please indicate your institution's ability to deliver the required opinions.

Information Relating to the Institution:

Please provide your institution's long and short-term credit ratings over the past three years by Moody's Investor Service, Standard & Poor's Ratings Service, and Fitch Ratings. To be eligible to respond, a bank must have at least one long-term rating equivalent to A+ and at least two short-term ratings equivalent to P-1, A-1 and F1 from Moody's Investor Service, Standard & Poor's Ratings Service, and Fitch Ratings, respectively. Also indicate if your ratings are currently under credit watch or review by any major rating agency. Please provide the name of a contact at each of these rating agencies who reviews your credit and the most recent credit summary of your institution published by each of the major rating agencies.

Your institution must provide appropriate disclosure information relating to the institution for inclusion in the Offering Memorandum. Please provide a recent example of such disclosure information. Please note that all respondents must complete and sign, at closing, Certificate of Bank form, which is included in *(Attachment 9) – Form of Reimbursement Agreement.*

Please identify any pending matters involving your institution with interests or consequences potentially adverse to the Port.

Staff Experience:

Please identify the individuals who will have responsibility for your firm's relationship with the Port. Please provide information that specifically addresses those individuals' background and experience, including resumes, and specifically noting if that experience was obtained while employed at another financial institution.

Credit Approval

Please indicate if you have already obtained credit approval. If not, please indicate how long you would expect such approval to take.

Syndication:

Proposals may be made on either an individual or joint basis; participation in the Letter of Credit commitment will be allowed. (Respondents are

	referred to Section 8.3(c) of the attached Form of Reimbursement Agreement). If bidding as a group, please indicate banks participating in the facility and identify one bank who will serve as the agent bank.
Legal Counsel and Related Expenses:	Please designate two firms that would be acceptable as your institution's legal counsel. Also indicate the name of the proposed lead attorney at each such firm, and his or her office location. Please indicate a cap that the bank's legal fees (including foreign counsel fees, as appropriate) and expenses will not exceed.
Certification:	Please provide a certification by the Bank that all information submitted as part of the proposal is true and correct and that the person signing the proposal has full authority to do so on behalf of the bank.
Debarment Statement	Provide a written statement that your company has not been debarred from providing services to any State or Federal Agency within the last five (5) years. Sign and date your statement. If your company has been debarred, you will need to provide background information and the reason(s) for the debarment. Provide the name and contact information for the agency that debarred your company. The Port must review the reason(s) and duration for the debarment before it can determine if your company can be considered for this project.
Litigation and Other Information	Provide information describing any litigation, arbitration, investigations, or any other similar actions that your company, its principals, directors, and/or employees have been involved in during the last five (5) years relating to your company's services. Please list (a) name and court case or other identification number of each matter, (b) jurisdiction in which it was filed, and (c) outcome of matter (e.g. whether the case is pending, a judgment was entered, a settlement was reached or the case was dismissed). The Port will review the reason and timing of the action before it can determine if your company can be considered for this project. Failure to provide the litigation information may disqualify your proposal.
Required Forms and Adherence to Port Policy and Other Requirements	The Respondent must fill out all of the forms included in this RFP (listed under the "Attachments" section and marked with a "Yes" in the column titled "Must Be Returned with Proposal"), and return them with your proposal. By returning the listed forms, your company is supporting and agreeing to the Port Policies (listed in Section III, "Port Policy" of this RFP). Failure of the Respondent to provide any of the required forms may result in your proposal being rejected for non-responsiveness.

V. Evaluation Criteria

In selecting the most qualified Respondent, the Port will evaluate a number of factors in combination. Please make sure you have submitted responses to all items listed in the Submission Requirements section, as your responses will be evaluated based on the weights listed below. The Port reserves the right during this process to request additional information. If such information is required the Respondent will be notified and will be permitted five (5) working days to submit the requested information.

A. Evaluation Weights

Item	Criteria	Weights
	Adherence to Port Policy and Debarment Statement Proposals from companies who have not or will not adhere to Port policies or who have been debarred and have not provided sufficient reasons/justification for the Port to review the circumstances surrounding the debarment will not be forwarded to the evaluation committee for review. Proposals contingent upon material revisions to the Form of Reimbursement Agreement may also be rejected.	Pass/Fail
1	Company Information (including but not limited to, Legal Opinions, Information Relating to the Institution, Credit Approval, Syndication, Certification and Contractual Requirements) Amount, Term, Staff Experience, Litigation and Other Information, Prior History of Responding to Port RFPs for Credit Facilities, and Required Forms and Adherence to Port Policy Respondent's capacity to provide a liquidity facility advantageous to the Port as evidenced by its proposed terms. These include but are not limited to: 1) the proposed facility amount, 2) its term, 3) the experience of staff administering the facility, 4) whether credit approval has been obtained, 4) the Respondent's ability to provide the desired legal opinions, 5) optional termination provisions by the Port, 6) conditions precedent for issuance of the facility, 7) most favored nation provisions, 7) significant terms, covenants and representations, 8) events of default and 9) disclosure regarding company information, litigation, debarment, adherence to Port Policy, etc.	35%
2	Overall cost of the proposed facility to the Port	50%
3	Non-Discrimination and Small Local Business Utilization Policy Does your company meet the Port's definition of Small Local Business? The Port will evaluate companies that have provided substantiating documentation to prove they meet the Port's definition of Small Local Business, and award qualifying companies up to the maximum 15 points.	15%
	Total	100%

B. Selection Procedure:

All proposals received by the deadline which meet the RFP's requirements will be presented to the evaluation committee comprised of Port of Oakland staff and possibly external members. The evaluation committee will evaluate the proposals and score all submissions according to the evaluation criteria above.

VI. Additional Provisions

The terms "Company", "Consultant", "Contractor", "Proposer", "Respondent", "Seller", "Supplier", and "Vendor" whenever appearing in this RFP or any attachments, are used interchangeably to refer to the company or firm submitting a proposal in response to this RFP.

A. Port's Legal Name and Jurisdiction

The Port of Oakland (the "Port") is legally known as the City of Oakland, a Municipal Corporation, Acting by and through its Board of Port Commissioners. The Port is an independent department of the City of Oakland. The Port has exclusive control and management of all Port facilities and properties. Port facilities and properties consist of marine terminals, a railway intermodal terminal and container storage areas (collectively, the "Seaport"); the Oakland International Airport (the

"Airport"); and commercial and industrial land and properties (collectively, "Commercial Real Estate"); and other recreational land, other land, undeveloped land, and water areas, all located in Oakland, CA. The Port issues Purchase Orders under the name Port of Oakland.

B. Ownership of Proposal

All rights to information developed, disclosed, or provided in a Proposal and its attendant submissions are the property of Port, unless a Respondent makes specific reference to data that is considered proprietary. To the extent that a Respondent does not make specific reference to data that is considered "confidential" and proprietary, submission of an RFP constitutes the Respondent's express (a) grant and assignment of a perpetual, transferable (in whole or in part), non-exclusive royalty-free license to the Port for copyright, patent, or other intellectual property right (collectively referred to as "intellectual property"), and (b) agreement that the Port may use any such intellectual property without charge for any lawful purpose in connection with other Port development projects, including without limitation the creation of derivative works and issuance of sublicenses.

C. Deadline for Receipt of Proposal

Proposals must be sealed and delivered to the Submittal Address listed in the Request for Proposal (RFP) no later than the time specified in the RFP. The Port will place a clock ("Clock") in a conspicuous location at the place designated for submittal of Proposals. For purposes of determining the time that a Proposal is submitted, the Clock shall be controlling (unless at the time of the receipt the Clock malfunctions, then the Port's clock on its network phone system shall be controlling). The Port suggests that Proposals be hand delivered to the Submittal Address in order to ensure their timely receipt. Any Proposals mailed via an express mail service, US Postal Service, or other courier service shall not be considered timely received until date and time stamped by the controlling Clock. Any Proposals received after the time stated (regardless of the cause of the delay, including whether caused by the express mail service, US Postal Services, other courier service, or the Port's mail handling personnel) shall not be opened and shall be returned, sealed, to the Proposer.

D. Public Records Act

Under the Public Records Act (Gov. Code § 6250 et seq.), the Port may be obligated to make available to the public the submitted proposal and all correspondence and written questions submitted during the Request for Proposal process. However, such disclosure shall not be made prior to the date on which the Port publishes a final Board agenda report recommending award of the contract. Any trade secrets or proprietary financial information, which a Respondent believes should be exempted from disclosure, shall be specifically identified and marked as "CONFIDENTIAL". Blanket-type identification by designating whole pages or sections shall not be permitted and shall be invalid. The specific information must be clearly identified as such. Notwithstanding any such labeling of specific information as "CONFIDENTIAL", the Port cannot ensure that such information will not be disclosed or released. If the Port receives a request for public records that involves the proposal, the Port is under no obligation to resist such request.

The Port reserves the right to independently determine whether any document is subject to disclosure and to make such information available to the extent required by applicable law, without any restriction or notice to Respondent.

E. Port's Right to Modify

Respondents are advised that the Port has not incurred any obligations or duties in soliciting this Request for Proposals. The Port, at its sole discretion, reserves the right to reject any or all proposals submitted in response to this RFP; to request additional information or clarification of information submitted; to cancel or modify, in part or in its entirety, this RFP; to request new RFPs or pursue any other means for obtaining the desired services; to waive

any informalities or minor irregularities in the RFP, and other inconsequential deviations from the RFP's requirements. The Board of Port Commissioners retains the right to select in part or in total the Respondent(s) of its choice, and to decide to negotiate an agreement or to terminate negotiations at any time prior to formal execution.

F. Conflicts of Interest

By submitting a proposal, the Respondent represents that it is familiar with Section 1090 and Section 87100 et seq. of the California Government Code, and that it does not know of any facts that constitute a violation of said sections in connection with its proposal. Respondent also represents that its proposal has completely disclosed to the Port all facts bearing upon any possible interests, direct or indirect, which Respondent believes any member of the Port, or other officer, agent or employee of the Port or any department presently has, or will have, in any agreement arising from this RFP, or in the performance thereof, or in any portion of the profits there under. Willful failure to make such disclosure, if any, shall constitute ground for rejection of the proposals or termination of any agreement by the Port for cause. Respondent agrees that if it enters into a contract with the Port, it will comply with all applicable conflict of interest codes adopted by the City of Oakland and Port of Oakland and their reporting requirements.

G. Cost of Preparing a Response

All costs for developing a response to this RFP and attending any proposal meetings or selection meetings are entirely the responsibility of the Respondent and shall not be chargeable to the Port.

H. Law Compliance

The Respondent must comply with all laws, ordinances, regulations and codes of the Federal, State, and Local Governments, which may in any way affect the preparation of proposals or the performance of the contract.

I. Respondent's Relationship

The Respondent's (and Respondent's employees' and contractors') relationship to the Port shall be that of independent contractor and not deemed to be an employee or agent of the Port.

J. Proposal Considerations and Legal Proceeding Waiver

The Port has absolute discretion with regard to acceptance and rejection of proposals. In order to be considered the party submitting a proposal waives the right to bring legal proceedings challenging the Board of Port Commissioners choice of the award.

K. False Statements

False statements in a proposal will disqualify the proposal.

L. Taxes

The Respondent will be responsible for all Federal, State, and Local taxes.

M. Grade of Service

The Respondent must provide professional service and maintain appropriate personnel to provide expedient and courteous service.

N. The Respondent's Liability

The Respondent shall be responsible for any and all damages to the Port's premises resulting from the negligent acts or willful misconduct of the Respondent's agents or employees.

O. Amendments

The Port may, at its sole discretion, issue amendments to this RFP at any time before the time set for receipt of proposals. The Respondents are required to acknowledge receipt of any amendments (addenda) issued to this RFP by acknowledging the Addendum in the space provided on the RFP Acknowledgement and Signature Form. The Port shall not be bound by

any representations, whether oral or written, made at a pre-proposal, pre-contract, or site meeting, unless such representations are incorporated in writing as an amendment to the RFP or as part of the final contract. All questions or requests for clarification concerning material terms of the contract should be submitted in writing for consideration as an amendment.

P. Withdrawal or Modification of Offers

The Respondent may modify or withdraw an offer in writing at any time before the deadline for submission of an offer.

Q. Acceptance

Any offer received shall be considered an offer which may be accepted or rejected, in whole or in part, by the Port based on initial submission with or without discussions or negotiations.

R. Representations

No representations or guarantees of any kind, either made orally, or expressed or implied, are made with regard to the matters contained in this document, including any attachments, letters of transmittal, or any other related documents. The Respondent must rely solely on its own independent assessment as the basis for the submission of any offer made.

S. Award Consideration and Length of Contract

The Port shall not be bound to accept the lowest-quote fee and will award the contract (if any) to the company/firm selected through the competitive process (and any subsequent interviews) outlined in this RFP.

The Port has requested fee quotes for terms of two to three years with provisions for renewal. Longer terms may also be provided at the Respondent's discretion.

T. Protest Procedures

Any party that has timely submitted a responsive proposal that contends or claims that the Port's proposed award of the subject contract fails to comply with the Port's rules and regulations or with law must file a protest in accordance with the provisions set forth below:

1. Any protest must be submitted in writing to Daria Edgerly, Secretary of the Board, and received by the Port no later than 5:00 p.m. by the third (3rd) business day following publication of the identity of the apparent successful proposer (or of Notice of Intent to Award, if such notice is issued).
2. The protest must include the name, address and telephone number of the person representing the protesting party.
3. The initial protest document must contain a complete statement of the basis for the protest, including in detail, all grounds for protest including referencing the specific portion of the solicitation document that forms the basis for the protest, and including without limitation all facts, supporting documentation, legal authorities and argument in support of the grounds for the protest. Any matters not set forth in the written protest shall be deemed waived. All factual contentions must be supported by competent, admissible and credible evidence.

Any protest not conforming to the foregoing shall be rejected by the Port without recourse.

U. Publicity

The apparent successful institution shall not release any notices, press releases, reports, or news or make any statement to the public, press or other media relating to matters pertinent to the proposal or contract without prior written approval from the Port.

RFP No.: 18-19/07 Letter of Credit or Revolving Credit Facilities

(To Be Executed By Proposer and Submitted With Proposal)

I, _____, declare as follows:

That I am the _____of _____, the party making the attached proposal; that the attached proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the proposer has not directly or indirectly induced or solicited any other proposer to put in a false or sham proposal, or that anyone shall refrain from proposing; that the proposer has not in any manner, directly or indirectly, sought by agreement, communication, or to fix any overhead, profit, or cost element of the proposal price, or that of any other proposer, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and further, that the proposer has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

Any person executing this declaration on behalf of a proposer that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this _____ day of _____, 201__, at

_____, _____

_____

Signature

Authority: Public Contract Code 7106

CCP 2015.5

RFP No.: 18-19/07, Letter of Credit or Revolving Credit Facilities

I hereby certify that I_____(Legal Name of Respondent/Supplier/Consultant/Contractor), will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, ancestry, age (over 40), physical or mental disability, cancer-related medical condition, a known genetic pre-disposition to a disease or disorder, veteran status, marital status, or sexual orientation.

I declare under penalty of perjury under the laws of the State of California that the information I have provided herein is true and correct and is of my own personal knowledge.

_____
Signature

_____
Print Name

_____
Title

_____
Date

PORT OF OAKLAND

Attachment 3: RFP Acknowledgement and Signature Form

RFP No.: 18-19/07, Letter of Credit or Revolving Credit Facilities

The undersigned having carefully examined the RFP and its terms and conditions, proposes to enter into an agreement with the Port of Oakland to provide letter(s) of credit or revolving credit facilities.

Addendum Acknowledgement:

The following addendum (addenda) is (are) acknowledged in this RFP: _____

Acknowledgement and Signature:

1. No Proposal is valid unless signed in ink by the person authorized to make the proposal.
2. I have carefully read, understand and agree to the terms and conditions on all pages of this RFP. The undersigned agrees to furnish the services stipulated in this RFP.
3. I represent that I am familiar with Section 1090 and Section 87100 et seq. of the Government Code of the State of California, and that I do not know of any facts that constitute a violation of said Sections in connection with the proposal.

Respondent's Name and Title: _____

Company Name: _____

Address: _____

Telephone: _____ Fax: _____

Email: _____ Cell Number: _____

Contractor License # (if applicable): _____ Expiration Date: _____

Federal Tax Identification Number: _____

Authorized Signature: _____ Date: _____

Decline RFP:

We **do not** wish to submit a Proposal on this Project. Please state your reason below. Please also indicate if you would like to remain on our Supplier list.

Reason: _____

_____

_____

Company: _____ Address: _____

Name: _____ Signature _____ Date: _____

RFP No.: 18-19/07, Letter of Credit or Revolving Credit Facilities

PORT OF OAKLAND
Commercial Paper Notes

LETTER OF CREDIT BANK REQUEST FOR PROPOSAL

PRICING MATRIX – LETTER OF CREDIT

Name of Bank: _____

Contact Person: _____

Phone: _____

Fax: _____

E-mail: _____

A. Facility fee (in basis points) per annum, payable quarterly in arrears, based upon a minimum Letter of Credit commitment amount of $100 million.

Commitment Amount: $_____ Million Principal Amount

Expiration Date	Annual Facility Fee	
	Utilized	Unutilized
2 Years		
3 Years		
Other Term (please specify)		
Bank Term Loan Rate (1)		
Default Rate(1)		
Other Fees and Expenses (2)		

B. Upfront Legal Fees and Expenses (3): Estimated at $ _____; Capped at $ _____.

C. Repayment Terms: Please state your proposed terms of repayment in the event of a draw (term-out provisions) to the extent they differ from those contained in the Form of the Reimbursement Agreement (Exhibit A).

D. Termination Fee: Is there any fee payable upon early termination? If so, what are the terms?

(1) If based on an index, please specify. The Port requests that the index be based on the Fed Funds Rate or LIBOR.
(2) All other fees and expenses (specify nature of expense and whether it is an annual or one-time charge).
(3) All one-time legal fees and expenses, including foreign counsel fees, as appropriate.

PRICING MATRIX FOR ALTERNATIVE BANK PRODUCTS

REQUEST FOR PROPOSALS
Port of Oakland

Short-term Products

Name of Bank: _____
Contact Person: _____
Address: _____
Phone: _____
Fax: _____
Email: _____

Please provide your proposed Alternate Bank Product pricing per annum:

Commitment Amount: $_____ Million Principal Amount

Expiration Date	**Index (SIFMA or LIBOR)**	**Spread to Index (basis points)**	**Adjustment to Spread based on Port Upgrade/Downgrade**	**Term Out Period**	**Redemption Provisions**	**Other Fees and Expenses (specify)**	**Term Out Rate and/or Default Rate**
2 Years							
3 Years							
Other term:							

Amount of Time Proposed Pricing Will be Held Firm:_____
On a separate page indicate any requested changes to the Reimbursement Agreement.

Non-Discrimination: Port of Oakland (Port) policy prohibits discrimination or preferential treatment because of race, color, religion, sex, national origin, ancestry, age (over 40), physical or mental disability, cancer-related medical condition, a known genetic pre-disposition to a disease or disorder, veteran status, marital status, or sexual orientation.

Local Business Utilization: On October 7, 1997, the Board of Port Commissioners initiated a formal policy to encourage full participation of firms from its Local Business Area ("LBA"), the counties of Alameda and Contra Costa, particularly those in its Local Impact Area ("LIA"), in its work. The LIA includes the cities of Oakland, Alameda, Emeryville and San Leandro. The LBA includes all cities within the counties of Alameda and Contra Costa. The Port will also take into consideration efforts the prime and sub-consultants make to assist in the community, e.g., assigning meaningful work to small and/or very small local sub-consultants, mentor protégé relationships, participation in job/trade fairs, hiring interns, pro bono work, and working with local schools, etc.

Consultant Preference Points: The Port allots preference points for the percentage of work being performed by consultants/sub-consultants located in either the LBA or the LIA and for community involvement (i.e. mentoring, intern programs, job fairs, community rehabilitation groups and re-entry programs) for a maximum total of up to 15 points. These points are added to a maximum of 85 technical points for a composite maximum of 100 points in evaluating consultant proposals as follows:

- Up to 5 points will be credited proportionately (counting the whole team, prime consultant and sub-consultant(s)) for LIA certified firms, and 2.5 for LBA certified firms.
  Note: LIA/LBA credit is given only for certified firms which have had established active offices in the respective area for at least a year at the time of proposal due date, and NOT for outside firms which plan to do the project work at a LIA/LBA office;

- An additional 3 points will be credited for an LIA certified prime consultant (proportionate to the share of prime consultant work in the case of a joint venture) and 1.5 points for an LBA certified prime consultant;

- Up to 4 points will be credited proportionately (counting the whole team, prime consultant and sub-consultant(s)) for Very Small Business Enterprise (VSBE) certified firms, and 2 points for Small Business Enterprise (SBE certified firms); and

- Up to 3 points for commitment to the Port's values and programs, e.g., mentoring small and/or very small local businesses and providing meaningful work for small and/or very small local sub-consultants; utilization of college and high school interns from the LIA; participation in job fairs and trade fairs targeted to LIA residents and businesses; and other work showing the consultant's efforts to contribute to the economic development of the LIA.

In summary, please submit the following attachments in each copy of your proposal:

1. Attachment 5-A, Chart for Submitting Data for Calculation of Preference Points. List the team members' (prime and subs) names, roles, location and LIA/LBA/SBE/VSBE status in the format shown in Attachment 5-A. Be specific as to the nature and estimated percentage of the work to be performed by the prime, any joint venture partners and/or sub-consultants.

2. Attachment 5-B, Local Participation Questionnaire. Complete for each sub-consulting firm or individual, as well as for the prime consultant.

Any proposal that fails to complete and submit the above two items (Prime *and* sub-consultants) will not be considered. For firms headquartered outside the LIA/LBA wishing to obtain credit for their local office, for the

purpose of this project shall utilize personnel from this local office. Additionally, mail, correspondence and telephone calls will be made to this local office.

To obtain credit for these factors and for any preference points on this RFP, consultants or any team member must be certified by the proposal due date or submit an application:

- Consultants or any team members wishing to be certified by the Port must submit a Certification Application, with all supporting documentation seven (7) business days prior to the proposal due date. The questionnaire and checklist of necessary supporting documents for certification may be obtained at: http://www.portofoakland.com/srd/. For questions regarding certification, you may contact Social Responsibility Division (SRD) at (510) 627-1627 or email SRDAdmin@portoakland.com. Firms certified by the Port of Oakland do not need to submit proof of certification.

(Please note Port certification must be current and not expired to count for preference points. Certification is valid for a two-year period.)

For questions or assistance regarding this section, contact Ms. Connie Ng-Wong (510) 627-1390, or cng-wong@portoakland.com in the Port's Social Responsibility Division.

PORT OF OAKLAND

Attachment 5-A: Chart for Submitting Data for Calculation of Preference Points

Company	Nature of Work to be Performed	Prime or Sub?	Location of Firm	*LIA/LBA SBE/VSBE Certification Status	Percent of Total Contract	Percent of Sub-consulting Work
(Name of Prime)		**Prime**				
(Name of Subs)		**Sub**				
(Name of Subs)		**Sub**				
(Name of Subs)		**Sub**				
(Name of Subs)		**Sub**				
(Name of Subs)		**Sub**				
(Name of Subs)		**Sub**				
(Name of Subs)		**Sub**				
(Name of Subs)		**Sub**				
(Name of Subs)		**Sub**				
(Name of Subs)		**Sub**				
				Total (must add up to 100%)	100%	100%

*** In order to qualify for preference points, the firm must be certified by the Port of Oakland.** Local Impact Area (LIA), Local Business Area (LBA), Small Business Enterprise (SBE), Very Small Business Enterprise (VSBE)

Notes:

- Please make sure the column labeled "Percent of Total Contract" adds up to 100%
- Please make sure the column labeled "Percent of Sub-consulting Work" adds up to 100% of the Sub-consulting work.

(Use additional paper if necessary)

1. Is the consultant or large sub-consultant mentoring or providing a professionally meaningful share of the project to small and/or very small LIA firms on this project? Yes___ No___

   If the response is "yes", please provide specific details on how the mentoring or sharing will be performed. In addition, be specific as to the nature of the relationship and the persons responsible for implementing it.

2. (A) Do any team members regularly use local students as interns in their work? Yes___ No ___
   (B) Do any team members currently use local students as interns in their work? Yes___ No ___
   (C) Have any team members used local students as interns in past work? Yes ___ No___
   (D) If planning to use interns on this project, how will you utilize them?

   If you answered "yes" to any of these questions, please state from what schools or programs the interns were obtained, what type of work was performed by them, and any other details that might be relevant, i.e. paid internship, length of service, number of interns.

3. Have firms in the team participated in other community projects, e.g., job fairs targeted to local neighborhoods, youth or school programs, community rehabilitation groups, etc.? Yes___ No___
   If so, please give details:

RFP No.: 18-19/07, Letter of Credit or Revolving Credit Facilities

I hereby certify that I_____(Legal Name of Respondent/Supplier/Consultant/Contractor), shall carry out applicable requirements in the award and administration of this contract and cooperate with the Port of Oakland in meeting its commitments and objectives with regard to ensuring nondiscrimination, and shall use best efforts to ensure that barriers to participation of Small Local Businesses do not exist.

Upon execution of an Agreement, the selected consultant will be required to complete Small and Local attainment reports and a final report at contract completion, and submit them to the Social Responsibility Division.

I declare under penalty of perjury under the laws of the State of California that the information I have provided herein is true and correct.

_____
Signature

_____
Print Name

_____
Title

_____
Date

EMPLOYERS SUBJECT TO §728 OF THE CITY CHARTER MUST COMPLY WITH THE FOLLOWING REQUIREMENTS:

1) Pay all non-exempt employees the living wage rates (As of July 1, 2018, $15.78 without health benefits or $13.75 with health benefits). Port Ordinance No. 3666, as amended also requires that covered businesses provide employees at least twelve compensated days off per year, including holidays.
2) Pay at least $2.03 per hour worked toward the provision of health care benefits for employees and/or their dependents, if the employer claims credit for health benefits.
3) **Provide written notification to each current and new employee, at time of hire, of his or her rights to receive the benefits under the provisions of these regulations.** The notification shall be provided in English, Spanish and other languages spoken by a significant number of the employees, and shall be posted prominently in communal areas at the work site. A copy of said notification is available from the Port Division of Social Responsibility.
4) Provide all employees earning less than $12/hour notification in English, Spanish, and any other language spoken by a significant number of employees of their right to advance Earned Income Credit payments.
5) **Submit name, address, date of hire, occupation classification, rate of pay, benefits paid for each of its employees, and compensated time off in a web accessed monitoring system at https://www.elationsys.com/app/Registration/ by March 31st, June 30th, September 30th, and December 31st of each year.** If a covered employer has obtained a waiver from the Port Board of Directors, then the employer must still submit an annual payroll report covering each of its employees by December 31st of each year. Failure to provide the list within five days of the due date will result in a penalty of $500 per day. Covered employers shall maintain payrolls and basic records for all employees and shall preserve them for a period of at least three years after the close of the compliance period.
6) Require subcontractors, tenants and subtenants, or licensees who are covered by these requirements to comply with the provisions of these regulations. **Covered employers shall be responsible for including language committing the subcontractor's, tenant's or licensee's agreement to comply, in the contract with the subcontractor**. Covered employers shall submit a copy of such subcontracts or other such agreements to the Port Division of Social Responsibility.
7) Permit authorized Port representatives access to work sites and, with employee consent, relevant payroll records for the purpose of monitoring compliance with these regulations, investigating employee complaints of non-compliance and evaluating the operation and effects of these regulations, including the production for inspection and copying of its payroll records for any or all of its employees for the applicable compliance period. Permit a representative of the labor organizations in its industry to have access to its workforce at the Port during non-working time and in non-work areas to ensure compliance.

Employers who fail to submit documents, declarations or information required to demonstrate compliance with these regulations shall be deemed noncompliant or non-responsive and subject to the remedies as set forth in §728.

COVERED BUSINESS CHECKLIST WRITE YES/NO ANSWER IN APPROPRIATE BOX:

1. ☐ Is the Business entering into a contract, tenancy agreement or subordinate agreement (such as, subcontract, subtenancy, or sublicense) with the Port? *If no, go on to question 2. If yes, go to question 3.*

2. ☐ Has the Business amended an existing contract, tenancy agreement or subordinate agreement at any time since April 2002? *If no to 1 and 2, stop here: the business is not covered. If yes, go to question 3.*

3. ☐ Is the contract with Aviation or Maritime divisions for a value of greater than $50,000 over the life of the contract (over the next five years if contract is for less than a year and expected to be renewed or extended)? *If no, stop here; the contract is not covered. If yes, go to question 4.*

4. ☐ Is the contract for service other than the delivery of products, equipment or commodities? *If no, stop here: the business is not covered. If yes, go to question 5.*

5. ☐ Does the Business employ more than 20 employees who spend at least 10 hours per week (4 hours per week if part time employees) working under the contract with the Port or on Port property? Indicate the number of employees that are employed by the Contractor_____. *If no, stop here the business is not covered. If yes, go to question 6, exemptions for specified employees of a covered employer.*

All employees of a covered employer are required to be provided compensation and other benefits as provided under §728 of the Charter, except for specified employees exempt under the following exemptions. The following questions should be answered for each employee.

6. ☐ *Does the employee work less than 25% of his/her time (10 hours per week for full time employee) under the contract with the Port?* If yes, stop here; the specified employee is exempt. If no, go to question 7.

7. ☐ *Is the employee under 21 years of age, employed by a government agency or nonprofit for after school or summer employment, or as a trainee for 90 days or less?* If yes, stop here; the specified employee is exempt. If no, go to question 8.

8. ☐ *Has the Business obtained a waiver that covers the employee?* If yes, stop here; the specified employee is exempt. If no, go to question 9.

9. ☐ *Is the employee participating in a bona-fide temporary job-training program in which a significant part of the compensation consists of acquiring specialized knowledge, abilities or skills in a recognized trade?* If yes, stop here; the specified employee is exempt. If no, go to question 10.

10. ☐ *Is the employee a volunteer who is not compensated other than for incidental expenses or stipends?* If yes, stop here; the specified employee is exempt. If no, go to question 11.

11. ☐ *Is the employee working for the Business less than 20 hours per week for a period of 6 months or less?* If yes, stop here the specified employee is exempt. If no, go to question 12.

12. ☐ *Of the remaining employees (employees for which no exemption applies as indicated by your answers to questions 6 through 11), are there 20 or fewer non-exempt employees working for the employer under the Port Contract?* If yes, stop here; each of the remaining specified employee(s) is/are exempt. If no, each of the remaining specified employee(s) is covered by §728.

The undersigned authorized representative of Contractor hereby certifies under penalty of perjury that all of the information on this form is true and accurate.

Company Name	Signature of Authorized Representative
Address	Type or Print Name & Title
Area Code and Phone	Email Address
Name of Primary Contact	Date

Project Name (Be Specific)

Submit Completed Checklist To:
Connie Ng-Wong

Port of Oakland
Social Responsibility Division
530 Water Street
Oakland, CA 94607
Phone: (510) 627-1390 Fax: (510) 451-1656
Email: cng-wong@portoakland.com

PORT OF OAKLAND

Attachment 7B: Certificate of Compliance – Living Wage

The City of Oakland Living Wage Charter §728 ("§728") and Port Ordinance No. 3666 ("Ordinance 3666") as amended, provide that certain employers that enter into a contract, lease, license (or a subcontract, sublease, sublicense, or other agreement) with the Port for $50,000 or more over the term of the contract and certain recipients of Port financial assistance for $50,000 or more shall pay a prescribed minimum level of compensation to their covered employees ("Employees").

The undersigned ("Contractor") submits this certificate under penalty of perjury and as a condition of payment of its invoice(s) for service provided under the _____ agreement between the Port and Contractor.

1) Contractor hereby certifies that it is in compliance with §728 and Ordinance 3666 with respect to all non-exempt Employees of Contractor engaged in Port-related employment or work on Port property.
2) Contractor herby acknowledges that the Port is relying on Contractor's certification of compliance with §728 and Ordinance 3666 as a condition of payment of Contractor's invoice(s).
3) Contractor understands that it may be subject to fines or penalties for noncompliance with §728 and Ordinance 3666 up to and including potential fines of $500 per day until Contractor complies.
4) Contractor hereby certifies that claims, records and statements relating to Contractor's compliance with §728 and Ordinance 3666 are true and accurate, that such claims, records and statements are made with the knowledge that the Port will rely on such claims, records and statements, and that such claims, records and statements are submitted to the Port for the express benefit of Contractor's employees engaged in Port-related employment or work on Port property.

Please check the appropriate box and sign below

☐ Contractor hereby certifies its compliance with all of its obligations under §728 and Ordinance 3666;

☐ Contractor hereby certifies that all Employees of Contractor working under Contractor's contract with the Port are compensated at wage rate(s) greater than $12.00 per hour;

☐ Contractor hereby certifies that it is not currently covered by §728 or Ordinance 3666. Contractor further certifies that should §728 or Ordinance 3666 become applicable, Contractor will comply with all of its Living Wage obligations.

All terms used herein and not defined shall have the meaning ascribed to such terms in §728 and Ordinance 3666.

The undersigned authorized representative of Contractor hereby certifies under penalty of perjury that all of the information on this form is true and accurate.

_____	_____
Company Name	Signature of Authorized Representative
_____	_____
Address	Type or Print Name & Title
_____	_____
Phone and Email	Date

_____

Project Name (Be Specific)

Submit to: Connie Ng-Wong, Port of Oakland, Social Responsibility Division, 530 Water Street, Oakland, CA 94607. Email: cng-wong@portoakland.com

RFP No.: 18-19/07, Letter of Credit or Revolving Credit Facilities

I hereby certify that I_____(Legal Name of Respondent/Supplier/Consultant/Contractor), has reviewed the Living Wage Requirements, included herein as Attachment 7 to this Request for Proposal and will comply with said Requirements. Upon execution of an Agreement, the selected consultant will be required to complete the Employer Self-Evaluation Form and Certificate of Compliance –Living Wage Form of this Request for Proposal, and submit them to the Social Responsibility Division.

I declare under penalty of perjury under the laws of the State of California that the information I have provided herein is true and correct.

_____
Signature

_____
Print Name

_____
Title

_____
Date

RFP No.: 18-19/07, Letter of Credit or Revolving Credit Facilities

REIMBURSEMENT AGREEMENT

Dated as of [ ]

between

THE BOARD OF PORT COMMISSIONERS OF THE
CITY OF OAKLAND, CALIFORNIA

and

[ ]

relating to:

PORT OF OAKLAND, CALIFORNIA,
COMMERCIAL PAPER NOTES

ARTICLE ONE ARTICLE ONE DEFINITIONS ..... [ ]

Section 1.1 Definitions ..... [ ]

ARTICLE TWO LETTER OF CREDIT ..... [ ]

Section 2.1 Issuance of Letter of Credit ..... [ ]
Section 2.2 Letter of Credit Drawings ..... [ ]
Section 2.3 Reimbursement ..... [ ]
Section 2.4 Advances; Term Loans ..... [ ]
Section 2.5 Fees ..... [ ]
Section 2.6 The Bank Note ..... [ ]
Section 2.7 Substitute Letter of Credit; Reduction of Stated Amount ..... [ ]
Section 2.8 Computation of Interest and Fees ..... [ ]
Section 2.9 Payment Due on Non-Business Day to Be Made on Next Business Day ..... [ ]
Section 2.10 Late Payments ..... [ ]
Section 2.11 Source of Funds ..... [ ]
Section 2.12 Extension of Stated Expiration Date ..... [ ]
Section 2.13 Net of Taxes, Etc ..... [ ]
Section 2.14 Increased Costs ..... [ ]
Section 2.15 Margin Regulations ..... [ ]
Section 2.16 Maximum Rate; Payment of Fee ..... [ ]
Section 2.17 Limited Obligations ..... [ ]
Section 2.18 Issuance of Notes ..... [ ]
Section 2.19 Method of Payment; Etc ..... [ ]

ARTICLE THREE CONDITIONS PRECEDENT ..... [ ]

Section 3.1 Conditions Precedent to Issuance of the Letter of Credit ..... [ ]

ARTICLE FOUR REPRESENTATIONS AND WARRANTIES ..... [ ]

Section 4.1 Representations of the Board ..... [ ]
Section 4.2 Survival of Representations ..... [ ]

ARTICLE FIVE AFFIRMATIVE COVENANTS ..... [ ]

Section 5.1 Financial Statements; Information ..... [ ]
Section 5.2 Inspection ..... [ ]
Section 5.3 Compliance with Agreements; Incorporation by Reference ..... [ ]
Section 5.4 Certain Notices ..... [ ]
Section 5.5 Preservation of Existence ..... [ ]
Section 5.6 Pledge of Available Revenues ..... [ ]
Section 5.7 Credit Facilities ..... [ ]
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Section 5.12 Insurance ..... [ ]
Section 5.13 Alternate Letter of Credit; Defeasance ..... [ ]
Section 5.14 [Reserved.] ..... [ ]
Section 5.15 Litigation and Other Actions ..... [ ]

Section 5.16 Swap Contracts ..... [ ]
Section 5.17 Dealers; Issuing and Paying Agent ..... [ ]
Section 5.18 Sovereign Immunity ..... [ ]
Section 5.19 Bonding Capacity ..... [ ]
Section 5.20 ERISA ..... [ ]
Section 5.21 Performance of This and Other Agreements ..... [ ]
Section 5.22 Ratings ..... [ ]
ARTICLE SIX NEGATIVE COVENANTS ..... [ ]
Section 6.1 Compliance With Laws, Etc ..... [ ]
Section 6.2 Amendments ..... [ ]
Section 6.3 General Tax Covenant ..... [ ]
Section 6.4 Liens ..... [ ]
Section 6.5 Subordinate Revenue Bonds Coverage Ratio ..... [ ]
Section 6.6 Sale or Encumbrance of the Port ..... [ ]
Section 6.7 Regulations U and X ..... [ ]
Section 6.8 Mergers ..... [ ]
Section 6.9 Offering Memorandum ..... [ ]
Section 6.10 Investments, Acquisitions, Loans and Advances ..... [ ]
ARTICLE SEVEN DEFAULTS ..... [ ]
Section 7.1 Events of Default and Remedies ..... [ ]
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ARTICLE EIGHT MISCELLANEOUS ..... [ ]
Section 8.1 Amendments, Waivers, Etc ..... [ ]
Section 8.2 Notices ..... [ ]
Section 8.3 Survival of Covenants; Successors and Assigns ..... [ ]
Section 8.4 Unconditional Obligations ..... [ ]
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Section 8.6 Expenses ..... [ ]
Section 8.7 No Waiver; Conflict ..... [ ]
Section 8.8 Modification, Amendment, Waiver, Etc ..... [ ]
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REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT dated as of [ ](together with any amendments or supplements hereto, this "*Agreement*"), between THE BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND, CALIFORNIA (the "*Board*"), which the Board has, pursuant to Article VII of the Charter of the City of Oakland (the "*Charter*"), been granted exclusive control and management of the department of the City of Oakland, California known as the Port Department (the "*Port*"), and [ ] (together with its successors and assigns, the "*Bank*").

WITNESSETH:

WHEREAS, pursuant to authority granted by the Charter, the Board is empowered to issue commercial paper notes for the purposes set forth in the Commercial Paper Indenture (as hereinafter defined); and

WHEREAS, pursuant to the Commercial Paper Indenture the Board has established a commercial paper program pursuant to which the Board may, from time-to-time, issue commercial paper notes thereunder; and

WHEREAS, the Board has requested the Bank to support the Notes (as hereinafter defined) by making available a letter of credit in the original stated amount of [ ] (representing an amount supporting the total aggregate principal amount of the Notes that may be issued under the Commercial Paper Indenture in a principal amount of $[ ] plus an amount equal to [ ] ([ ]) days' interest on such principal amount at the rate per annum of [ ] percent (%) on the basis of a [ ] day year) for the payment by the Issuing and Paying Agent, when and as due, of the principal of and interest on the Notes; and

WHEREAS, the Bank is willing to issue such letter of credit upon the terms and conditions provided herein;

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the Board and the Bank agree as follows:

Article One
ARTICLE ONE DEFINITIONS

Section 1.1 Definitions. As used in this Agreement:

"*Act*" - shall mean Article VII of the Charter, as amended from time to time, or any other article or section of the Charter in which the provisions relating to the Board and the Port may hereafter be set forth.

"*Advance*" - is defined in Section 2.4(a) hereof.

"*Advance Maturity Date*" - is defined in Section 2.4(b) hereof.

"*Agreement*" - means this Reimbursement Agreement, as amended, modified and supplemented from time to time in accordance with the provisions hereof.

"*Alternate Credit Facility*" – means any substitute letter of credit accepted by the Issuing and Paying Agent as provided in Section 10.01 of the Commercial Paper Indenture.

"*Authorized Board Representative*" - has the meaning assigned to that term in the Commercial Paper Indenture.

"*Available Pledged Revenues*" - means "*Pledged Revenues*" as defined in the Senior Lien Indenture after payment therefrom: (i) first, of all amounts required to be paid and then due and payable under the Senior Lien Indenture for principal, interest, reserve fund and any other debt service requirements on the Senior Lien Bonds, (ii) second, of any debt service requirements then due and payable on the DBW Loans and (iii) third, of all amounts required to be paid and then due and payable under the Intermediate Lien Indenture for principal, interest, reserve fund and any other debt service requirements with respect to the Intermediate Lien Bonds.

"*Bank*" - has the meaning set forth in the first paragraph hereof.

"*Bank Information*" - means information describing the Bank and furnished in writing by the Bank expressly for inclusion in the Offering Memorandum.

"*Bank Note*" - has the meaning set forth in Section 2.6 hereof.

"*Bank Rate*" - means the rate of interest per annum with respect to an Advance or Term Loan, as applicable, (i) for any day commencing on the date such Advance is made up to and including the [ ] ([ ]) day next succeeding the date such Advance is made, equal to the Base Rate from time to time in effect and (ii) for any day commencing on or after the day next succeeding the date a Term Loan is made, equal to the Base Rate from time to time in effect *plus* [ ] percent ([ ]%); *provided*, *however*, that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, "*Bank Rate*" shall mean the Default Rate; *provided*, *further*, that at no time shall the Bank Rate be less than the rate per annum borne by any outstanding Notes on any date.

"*Base Rate*" - means, for any day, the per annum rate of interest equal to the highest of (i) the Prime Rate plus [ ] percent ([ ]%), (ii) the Federal Funds Rate plus [ ] percent ([ ]%) and (iii) [ ] percent ([ ]%).

"*Board*" - means the Board of Port Commissioners of the City of Oakland, California, created under the provisions of the Act, and any successor to its function.

"*Bond Counsel*" - means an attorney or a firm or firm of attorneys of national recognition selected or employed by the Board with knowledge and experience in the field of municipal finance.

"*Business Day*" - means a day other than (i) a Saturday, Sunday or other day on which commercial banks in New York, New York, San Francisco, California, or the city in which is

located the office of the Bank at which Drawings on the Letter of Credit will be made, are authorized or required by law to close or (ii) a day on which the New York Stock Exchange is closed.

"*Capital Lease*" - means any lease of Property which in accordance with GAAP would be required to be capitalized on the balance sheet of the lessee.

"*Capital Reserve Fund*" - shall have the meaning set forth in the Intermediate Lien Indenture.

"*Capitalized Interest*" - shall mean the portion, if any, of the proceeds received upon issuance of Intermediate Lien Bonds which is used to pay interest on such Intermediate Lien Bonds.

"*Capitalized Lease Obligations*" - means the amount of the liability shown on the balance sheet of any Person in respect of a Capital Lease as determined in accordance with GAAP.

"*Change of Law*" - means the adoption of any law, rule, regulation, statute, treaty, guideline or directive of any governmental authority or the making of any change therein or in the application, interpretation or requirements thereof, in each case (i) after the Closing Date in the case of a bank that acquires its rights and obligations under this Agreement or any Related Document as of such date or (ii) in the case of any Person that, after the Closing Date, acquires a legal or economic interest in this Agreement or any Related Document (whether by assignment, transfer, participation or otherwise), after the later date on which such Person acquires such interest.

"*Charter*" - means the Charter of the City, as amended and supplemented from time to time.

"*City*" - means the City of Oakland, California.

"*Closing Date*" - means the date on which the Letter of Credit is issued.

"*Code*" – means the U.S. Internal Revenue Code of 1986, as amended.

"*Commercial Paper Indenture*" - means that certain Trust Indenture dated as of [October 1, 1998], as supplemented by the First Supplemental Trust Indenture dated as of August 2, 2010, each between the Board and the Trustee, and as the same may be supplemented and amended from time to time.

"*Conversion Date*" – means, with respect to a particular Advance, the Advance Maturity Date for such Advance.

"*DBW Loans*" - means loan agreements by and between the Board and the California Department of Boating and Waterways and any other evidences of indebtedness of the Board to the California Department of Boating and Waterways, whether now or hereafter in effect, providing the terms and conditions for the incurrence of indebtedness secured in whole or in part by Pledged Revenues (as defined in the Senior Lien Indenture) and subordinate to the lien on and

security interest granted in the Pledged Revenues pursuant to the Senior Lien Indenture, as the same may be amended and supplemented from time to time in accordance with the terms thereof and hereof.

"*Dealer*" - means Goldman, Sachs & Co. for so long as it is acting as a dealer for the Board with respect to the Notes, or any successor or additional dealer appointed pursuant to the Dealer Agreement, as approved by the Board and pursuant to the terms of Section 5.17 hereof.

"*Dealer Agreement*" - means, the Dealer Agreement dated as of August 1, 2010, by and between the Board and the Dealer, as amended and supplemented from time to time in accordance with the terms thereof and hereof, and any such agreement with any successor or additional dealer.

"*Default*" - means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"*Default Rate*" - means a per annum rate of interest equal to the sum of the Base Rate from time to time in effect plus [ ] percent ([ ]%).

"*Dodd-Frank Act*" - means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as enacted by the United States Congress, and signed into law on July 21, 2010, and all statutes, rules, guidelines or directives promulgated thereunder.

"*Drawing*" - has the meaning set forth in Section 2.3 hereof.

"*Environmental Laws*" - means any and all applicable Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment.

"*ERISA*" - means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

"*Event of Default*" - is defined in Section 7.1 hereof.

"*Excess Interest*" - has the meaning assigned to such term in Section 2.16 hereof.

"*Federal Funds Rate*" - means, for any day, the rate of interest per annum (rounded upward, if necessary, to the nearest 1/16 of 1%) as determined by the Bank at which overnight Federal Funds are offered to the Bank for such day by major banks in the interbank market, with any change in such rate to become effective as to the Board on the date of any change in such rate. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the Board absent manifest error.

"*FATCA*" - means Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 14721(b)(1) of the Code, and any U.S. or non-U.S. legislation, rules, guidance notes or practices

adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code or analogous provisions of non-U.S. law.

"*Fee Letter*" - means that certain Fee Letter Agreement dated [ ] between the Board and the Bank, as amended, supplemented or otherwise modified from time to time.

"*Final Drawing Notice*" - has the meaning set forth in the Letter of Credit.

"*Fiscal Year*" - has the meaning set forth in the Commercial Paper Indenture.

"*Fitch*" - means Fitch, Inc., and its successors and assigns.

"*Foreign Bank*" - means (i) any assignee or successor of the Bank that is organized under the laws of a jurisdiction other than the United States of America or any political subdivision thereof and (ii) the Bank, with respect to payments to it hereunder or under any Related Document, if any, that are not treated for U.S. federal tax purposes as made to a United States person within the meaning of Section 7701(a)(30) of the Code. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"*GAAP*" - means generally accepted accounting principles in the United States as in effect from time to time, applied by the Board on a basis consistent with the Port's most recent financial statements furnished to the Bank by the Board.

"*Guarantees*" - means, for any Person, all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations of such Person to purchase, to provide funds for payment, to supply funds to invest in any other Person or otherwise to assure a creditor of another Person against loss.

"*Indebtedness*" – means for any Person (without duplication) (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all obligations for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), (iii) all indebtedness secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (iv) all Capitalized Lease Obligations of such Person, (v) all obligations, contingent or otherwise, of such Person on or with respect to letters of credit, banker's acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money, (vi) all Guarantees of indebtedness of another Person described in clauses (i) through (v) or clause (vii) of this definition, and (vii) net obligations of such Person under any Swap Contract.

"*Intermediate Lien Bond*" - means "*Intermediate Lien Bonds*" as defined in the Intermediate Lien Indenture.

"*Intermediate Lien Indenture*" - means that certain Intermediate Lien Master Trust Indenture dated as of October 1, 2007, between the Board and U.S. Bank Trust, National Association, as trustee, as amended and supplemented as of the Closing Date, and as it may be

further amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof.

"*Intermediate Lien Pledged Revenues*" - shall have the meaning set forth in the Intermediate Lien Indenture.

"*Investment Grade*" - means a rating of at least "*BBB-*" (or its equivalent) from Fitch, "*Baa3*" (or its equivalent) from Moody's or "*BBB-*" (or its equivalent) from S&P, as applicable.

"*Issuing and Paying Agent*" - means U.S. Bank Trust, National Association, as Issuing and Paying Agent for the Notes under the Commercial Paper Indenture, or any successor registrar and authenticating agent and paying agent for the Notes appointed in accordance with the Commercial Paper Indenture.

"*Issuing and Paying Agent Agreement*" - means the agreement by that name dated as of August 1, 2010 between the Board and the Issuing and Paying Agent, as it may be amended or supplemented from time to time in accordance with the terms hereof and thereof, and any such agreement with any successor Issuing and Paying Agent.

"*Letter of Credit*" - means that certain amended and restated irrevocable transferable letter of credit issued by the Bank for the account of the Board in favor of the Issuing and Paying Agent supporting the Notes, as amended.

"*Letter of Credit Fee*" - shall have the meaning set forth in the Fee Letter.

"*Lien*" - means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"*Material Adverse Change*" or "*Material Adverse Effect*" – means, as to the Board or the Port, any material adverse change in or effect on (i) the business operations or condition (financial or otherwise) of the Port to the extent that any such change could materially and adversely change the ability of the Board to perform its obligations under this Agreement and the other Related Documents to which it is or will be a party, or (ii) the ability of the Board to consummate the transactions contemplated by this Agreement or any of the other Related Documents to which it is or will be a party.

"*Maximum Interest Rate*" – means the maximum interest rate to be borne by the Notes as provided in the Commercial Paper Indenture.

"*Maximum Rate*" - means the maximum non-usurious lawful rate of interest permitted by applicable law.

"*Moody's*" - means Moody's Investors Service, Inc., and its successors and assigns.

"*Net Revenues*" - has the meaning set forth in the Senior Lien Indenture or the Intermediate Lien Indenture, as applicable.

"*No-Issuance Notice*" - means the written instruction, in the form attached to the Letter of Credit, given by the Bank to the Board and the Issuing and Paying Agent pursuant to Section 7.2(a) hereof.

"*Notes*" - means, collectively, the Series [ ] Notes, the Series [ ] Notes and the Series [ ] Notes, executed and delivered under and entitled to the benefits of the Commercial Paper Indenture.

"*Obligations*" - means the Reimbursement Obligations (which includes amounts owing to the Bank evidenced by the Bank Note), the Letter of Credit Fees and all other obligations of the Board to the Bank arising under or in relation to this Agreement.

"*Offering Materials*" - means such disclosure documents with respect to the Notes and the Port as may be prepared by the Board from time to time in connection with the offering and sale of Notes.

"*Offering Memorandum*" - means the Offering Memorandum relating to the Notes, as the same may be supplemented or updated from time to time.

"*Original Stated Amount*" - is defined in Section 2.1 hereof.

"*Other Bank Agreement*" – means any Reimbursement Agreement, Line of Credit, Revolving Credit Agreement or similar agreement regardless of name that secures the payment of the principal of, and interest on, or makes available to the Board funds to pay the principal of, and interest on, any commercial paper notes of the Board that are issued and are on a parity with the Notes and the Bank Note.

"*Other Commercial Paper Indenture*" - means that certain Trust Indenture dated as of [September 1, 1999] between the Board and the Trustee, and as the same may be amended and supplemented from time to time.

"*Other Debt*" – is defined in Section 7.1(f) hereof.

"*Other Security*" - means all income, receipts, earnings or revenues of the Board not included in the definition of Pledged Revenues or Available Pledged Revenues.

"*Outstanding*" - (i) with respect to the Notes, shall have the meaning assigned to such term in the Commercial Paper Indenture, (ii) with respect to the Bank Note, means the principal of and interest thereon not repaid by the Board and (iii) with respect to the Intermediate Lien Bonds, Senior Lien Bonds and DBW Loans, shall have the meaning set forth in the Intermediate Lien Indenture.

"*Parity Notes*" - means any Indebtedness of the Board issued or incurred and at any time outstanding pursuant to the Other Commercial Paper Indenture or any Supplemental Indenture thereof or any other indenture pursuant to which commercial paper notes of the Board or notes to

evidence the repayment obligation of the Board to the provider of credit enhancement to support such notes are issued and are on a parity with the Notes and the Bank Note.

"*Participant*" - is defined in Section 8.3(c) hereof.

"*Participant Register*" - is defined in Section 8.3(c) hereof.

"*Participation*" - is defined in Section 8.3(c) hereof.

"*Passenger Facility Charges*" – has the meaning set forth in the Intermediate Lien Indenture.

"*Payment Office*" - means [ ], ABA #: [ ], A/C# [ ], Reference: Letter of Credit No.: [ ], or such other office or account as the Bank may designate from time to time.

"*Person*" - means an individual, a corporation, a partnership, an association, a limited liability company, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

"*Plan*" - means, with respect to the Board at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

"*Pledged Revenues*" - shall have the meaning set forth in the Senior Lien Indenture or the Intermediate Lien Indenture, as applicable.

"*Port*" - means the separate department of the City known as "*Port Department*", created under the provisions of the Act.

"*Port Attorney*" - shall mean legal counsel to the Board and staff of the Port who otherwise acts as provided for in Section 706(20) of the Act.

"*Port Bond Reserve Fund*" - shall have the meaning set forth in the Intermediate Lien Indenture.

"*Port Facilities*" – shall have the meaning set forth in the Senior Lien Indenture.

"*Port Revenue Fund*" - shall have the meaning set forth in the Senior Lien Indenture.

"*Prime Rate*" - means the rate of interest announced by the Bank from time to time as its prime commercial rate or equivalent, as in effect on such day for United States dollar loans, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate.

"*Principal Payment*" - is defined in Section 2.4(g) hereof.

"*Property*" - means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

"*Rating Agency*" and "*Rating Agencies*" - means, individually or collectively, as applicable, Fitch, Moody's and S&P.

"*Reduction Fee*" - has the meaning set forth in the Fee Letter.

"*Reimbursement Obligations*" - means any and all obligations of the Board to reimburse the Bank for Drawings under the Letter of Credit and all obligations of the Board to repay the Bank for any Unpaid Drawing, Advance or Term Loan, including in each instance all interest accrued thereon, which obligations are evidenced and secured by the Bank Note.

"*Register*" - is defined in Section 8.3(b) hereof.

"*Related Documents*" - means this Agreement, the Letter of Credit, the Fee Letter, the Issuing and Paying Agent Agreement, the Notes, the Bank Note, the Dealer Agreement, the Commercial Paper Indenture, and the Other Commercial Paper Indenture.

"*Risk-Based Capital Guidelines*" - means (i) the risk-based capital guidelines in effect in the United States on December 31, 2015, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations adopted prior to December 31, 2015.

"*S&P*" - means Standard & Poor's Ratings Services, a division of The McGraw- Hill Companies, Inc., and its successors and assigns.

"*Senior Lien Bonds*" - means "*Bonds*" as defined in the Senior Lien Indenture.

"*Senior Lien Indenture*" - means that certain Amended and Restated Master Trust Indenture dated as of April 1, 2006, between the Board and U.S. Bank National Association, as trustee, as amended and supplemented as of the Closing Date, and as it may be further amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof.

"*Series [ ] Notes*" - has the meaning assigned to that term in the Commercial Paper Indenture.

"*Series [ ] Notes*" - has the meaning assigned to that term in the Commercial Paper Indenture.

"*Series [ ] Notes*" - has the meaning assigned to that term in the Commercial Paper Indenture.

"*State*" - means the State of California.

"*Stated Amount*" - shall have the meaning set forth in the Letter of Credit.

"*Stated Expiration Date*" – shall have the meaning set forth in the Letter of Credit.

"*Subordinate Revenue Bonds*" - means "*Intermediate Lien Bonds*" as defined in the Intermediate Lien Indenture.

"*Subordinate Revenue Bonds Coverage Ratio*" - means the ratio of (a) Net Revenues (as defined in the Intermediate Lien Indenture) for any Fiscal Year as of the last day of the Fiscal Year for which the determination is being made to (b) the actual debt service becoming due and payable by the Board on Outstanding Intermediate Lien Bonds, Outstanding Senior Lien Bonds and Outstanding DBW Loans in such Fiscal Year less (i) amounts paid from the proceeds of Indebtedness not described in clause (b) hereof issued consistently with the requirements of the Senior Lien Indenture or Intermediate Lien Indenture, as applicable, (ii) debt service paid in such Fiscal Year from Capitalized Interest and (iii) the amount of Other Security pledged to such Intermediate Lien Bonds or to such Senior Lien Bonds that will be available for debt service payment in addition to, as appropriate, the Intermediate Lien Pledged Revenues or the Pledged Revenues (as defined in the Intermediate Lien Indenture) during the Fiscal Year as set forth in the applicable Supplemental Intermediate Lien Indenture or the applicable supplement to the Senior Lien Indenture, in each case for the Fiscal Year ending as of the last day of the Fiscal Year for which the determination is being made.

"*Supplemental Indenture*" - has the meaning set forth in the Commercial Paper Indenture.

"*Supplemental Intermediate Lien Indenture*" - has the meaning set forth in the Intermediate Lien Indenture.

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

"*Term Loan*" - is defined in Section 2.4(e) hereof.

"*Term Loan Maturity Date*" - means, with respect to any Term Loan, the earlier to occur of: (i) the [ ] anniversary of the date on which the related Advance was made, (ii) the date on which the Letter of Credit expires after an Alternate Credit Facility becomes effective with respect to the Notes, and (iii) the date on which the Stated Amount is permanently reduced to zero at the written request of the Board or the Issuing and Paying Agent.

"*Termination Date*" - has the meaning set forth in the Letter of Credit.

"*Termination Fee*" - shall have the meaning set forth in the Fee Letter.

"*Trustee*" - means U.S. Bank National Association (successor in interest to U.S. Bank Trust National Association).

"*Unpaid Drawing*" - is defined in Section 2.3 hereof.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms. Any capitalized terms used herein which are not specifically defined herein shall have the same meanings herein as in the Commercial Paper Indenture. All references in this Agreement to times of day shall be references to New York time unless otherwise expressly provided herein. Unless otherwise inconsistent with the terms of this Agreement, all accounting terms shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP.

Article Two
LETTER OF CREDIT

Section 2.1 Issuance of Letter of Credit. Upon the terms, subject to the conditions and relying upon the representations and warranties set forth in this Agreement, the Bank agrees to issue the Letter of Credit. The Letter of Credit shall be in the original stated amount of [$] (the "*Original Stated Amount*"), which is the sum of (i) the total aggregate principal amount of Notes that may be issued under the Commercial Paper Indenture, plus (ii) interest thereon at the rate of [ ] percent ([ ]%) per annum for a period of [ ] ([ ]) days' on the basis of a 365 day year.

Section 2.2 Letter of Credit Drawings. The Issuing and Paying Agent is authorized to make drawings under the Letter of Credit in accordance with its terms. The Board hereby directs the Bank to make payments under the Letter of Credit in the manner therein provided. The Board hereby irrevocably approves reductions and reinstatements of the Stated Amount as provided therein.

Section 2.3 Reimbursement. Subject to the provisions of Section 2.4 hereof, the Board agrees to pay, or to cause to be paid, to the Bank (i) on each date on which the Bank shall honor any demand for payment under the Letter of Credit (each such payment by the Bank being herein referred to as a "*Drawing*") a sum equal to the amount so paid under the Letter of Credit (any amount so paid until reimbursed being herein referred to as an "*Unpaid Drawing*"), plus (ii) interest on the amount of each such Unpaid Drawing from and, to the extent such Unpaid Drawing is not reimbursed on the date of the corresponding Drawing, including the date such Drawing is paid until the Bank is reimbursed in full for such Drawing at such fluctuating interest rate per annum as shall be in effect from time to time which rate per annum for each day shall be equal to the Default Rate in effect for such day. Subject to the provisions of Section 2.4 hereof respecting Advances (each of which Advances when made shall constitute reimbursement of a Drawing in an amount equal to the amount of such Advance), the Board shall be obligated, without notice of a Drawing or demand for reimbursement (which notice is hereby waived by the Board), to reimburse the Bank for each Drawing on the day of such Drawing. The Board and the

Bank agree that the reimbursement in full for each Drawing on the day such Drawing is made is intended to be a contemporaneous exchange for new value given to the Board by the Bank.

Section 2.4 Advances; Term Loans.

(a) *Making of Advances*. The Bank agrees that if (i) the Bank shall honor any Drawing under the Letter of Credit, (ii) the amount of such Drawing shall not be reimbursed in full on the date of such Drawing by payment to the Bank as provided in Section 2.3 hereof, and (iii) (A) the representations and warranties of the Board contained in Article Four of this Agreement are true and correct in all material respects as of the date of such Drawing except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct in all material respects as of such date) and (B) no Event of Default shall have occurred and be continuing on the date of such Drawing, the amount of such Drawing (or the portion thereof) which is not so reimbursed by the Board to the Bank shall automatically constitute an advance made by the Bank to the Board on the date and in an amount equal to the amount of such Drawing (or portion thereof) which is not so reimbursed by the Board to the Bank (individually an "*Advance*" and, collectively, the "*Advances*"). For purposes of Section 2.3 hereof, each Advance when made shall constitute reimbursement of the related Drawing in an amount equal to the principal amount of such Advance; and each Advance when made shall preclude, to the extent of the amount of such Advance, the related Drawing from being or constituting an Unpaid Drawing.

(b) *Payment of Principal and Interest on Advances*. Except as otherwise required or permitted by Section 2.4(c), 2.4(d) or 2.4(e) of this Agreement, the Board shall repay, or cause to be repaid, the unpaid amount of each Advance on the [ ] ([ ]) next following the date of such Advance (with respect to such Advance, the "*Advance Maturity Date*"). The Board shall pay interest on the unpaid amount of each Advance from the date of such Advance until paid in full at the Bank Rate from time to time in effect. Interest on each Advance shall be payable monthly, in arrears, on the first Business Day of each month for the immediately preceding calendar month (commencing with the first such date to occur after the making of the related Advance) and upon prepayment or maturity of such Advance.

(c) *Prepayment of Advances and Term Loans*.

(i) The Board shall prepay or cause to be prepaid the principal amount of any Advance or Term Loan outstanding in whole or in part with accrued interest to the date of such repayment on the amount prepaid under the circumstances described in Section 2.4(c)(iii) hereof.

(ii) Any prepayment made under Section 2.3 or 2.4(c)(i) hereof shall be applied by the Bank as a reimbursement of the related Drawing (and as a prepayment of the Advance or Term Loan, as the case may be, resulting from such Drawing) and the Board irrevocably authorizes the Bank to reinstate the amount available to be drawn under the Letter of Credit by the amount of such prepayment; *provided*, *however*, that the Issuing and Paying Agent shall not deliver any Notes (the aggregate principal and interest of which is payable from the amount of the Letter of Credit so reinstated) for sale or

otherwise until the Letter of Credit has been reinstated pursuant to the terms of this Agreement and the Letter of Credit.

(iii) In the event that the Issuing and Paying Agent delivers any Notes while the principal amount of an Unpaid Drawing, Advance or Term Loan or any portion of the principal amount of an Unpaid Drawing, Advance or Term Loan remains unpaid, the Board shall apply the proceeds of any such Notes to the prepayment of such outstanding principal amount of such Unpaid Drawing, Advance or the Term Loan, as the case may be. Any prepayment in part under this Section 2.4(c)(iii) shall be applied against each such Unpaid Drawing, Advance or Term Loan, as the case may be, in the order in which each such Unpaid Drawing, Advance or Term Loan, as the case may be, was made.

(d) *Optional Prepayment*. The Board may prepay Advances in whole, or in part in a minimum amount of $1,000,000 and in integral multiples of $100,000 in excess thereof, in each case without penalty or premium on one Business Day's prior written notice.

(e) *Term Loan Option*. On an Advance Maturity Date, each Advance maturing on such date shall, if the conditions of Section 2.4(f) have been satisfied, be converted to a loan (a "*Term Loan*").

(f) *Conditions Precedent to Term Loans*. Amounts owed by the Board for Advances remaining unpaid on their respective Advance Maturity Dates shall be converted to Term Loans if and only if:

(i) the representations and warranties of the Board contained in Article Four of this Agreement are true and correct in all material respects on and as of the Conversion Date as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct in all material respects as of such date);

(ii) no Event of Default has occurred and is continuing or would result from converting the Advance to a Term Loan; and

(iii) a No-Issuance Notice shall not be in effect.

(g) *Repayment of Term Loans*. The Board agrees to pay to the Bank an amount equal to the unpaid principal amount of each Term Loan made by the Bank together with interest thereon from and including the Conversion Date to but excluding the date the Bank is reimbursed therefor at a rate per annum equal to the Bank Rate. Interest on the unpaid balance of each Term Loan shall be paid to the Bank monthly in arrears on the first day of each calendar month during the term of such Term Loan for the immediately preceding calendar month (commencing with the first such date to occur after the Conversion Date) and on the Term Loan Maturity Date. Each Term Loan shall be repaid in equal semi-annual installments (each such installment herein referred to as a "*Principal Payment*"), such Principal Payments to begin on the first day of the calendar quarter occurring not less than 180 days after the Advance Maturity Date to which such Term Loan relates, and shall be payable thereafter on each date occurring every six months thereafter, until paid in full; *provided* that the unpaid amount of each Term Loan shall be paid in full not later than the applicable Term Loan Maturity Date; *provided further*, that if the Board

elects to prepay a Term Loan in part, each such prepayment shall be applied pro rata and to the remaining Principal Payments relating to each Term Loan prepaid on a pro rata basis.

(h) *Prepayment of Term Loans*. The Board may prepay any Term Loan in whole, or in part in a minimum amount of $1,000,000 and in integral multiples of $100,000 in excess thereof, in each case without penalty on one Business Day's prior written notice.

Section 2.5 Fees. The Board shall pay to the Bank a non-refundable Letter of Credit Fee at the times and in the amounts as set forth in the Fee Letter, the terms of which Fee Letter are incorporated herein by reference as if fully set forth herein. The Board shall also pay to the Bank all other fees at the times and in the amounts set forth in the Fee Letter, including, without limitation, any applicable Termination Fee or Reduction Fee.

Section 2.6 The Bank Note. All Reimbursement Obligations shall be made against and evidenced by the Board's promissory note payable to the order of the Bank in the principal amount equal to the Original Stated Amount, such note to be executed and delivered to the Bank on the Closing Date in the form of Exhibit A attached hereto with appropriate insertions (the "*Bank Note*"). The Bank and the Board acknowledge that the Bank Note represents any and all "*Bank Notes*" provided for in Article V of the Commercial Paper Indenture. All Reimbursement Obligations and all payments and prepayments on account of the principal of and interest on each Reimbursement Obligation shall be recorded by the Bank on its books and records, which books and records shall, absent manifest error, be conclusive as to amounts payable by the Board hereunder and under the Bank Note. The Bank shall provide the notices required by Article V of the Commercial Paper Indenture and may, but shall not be required to, complete the schedule attached to the Bank Note to reflect the making and status of Drawings, Unpaid Drawings, Advances and Term Loans, *provided* that the failure to provide any such notice or to make or any error in making any such endorsement on such schedule shall not limit, extinguish or in any way modify the obligation of the Board to repay the Drawings, Unpaid Drawings, Advances and Term Loans. The Board shall pay principal and interest on the Bank Note on the dates and at the rates provided for in Sections 2.3 and 2.4 hereof with respect to Drawings, Unpaid Drawings, Advances and Term Loans.

Section 2.7 Substitute Letter of Credit; Reduction of Stated Amount.

(a) Notwithstanding any provisions of the Commercial Paper Indenture to the contrary, the Board agrees not to terminate, permanently reduce or replace the Letter of Credit (or to direct the Issuing and Paying Agent to terminate the Letter of Credit without a replacement letter of credit being substituted therefor) prior to the Stated Expiration Date, except upon (i) the payment by the Board to the Bank of the Termination Fee or Reduction Fee, as applicable, in each case in the amount set forth in the Fee Letter, (ii) the payment to the Bank of all fees, expenses and other amounts payable hereunder, (iii) the payment to the Bank of all principal and accrued interest owing on the Bank Note, and (iv) providing the Bank notice of its intention to do so at least thirty (30) days (or such shorter amount of time reasonably acceptable to the Bank) prior to the date of such termination, permanent reduction or replacement; *provided* that all payments to the Bank referred to in clauses (i), (ii) and (iii) above shall be made with immediately available funds.

(b) In compliance with the terms and conditions of Section 2.7(a) hereof, the Board may elect, upon at least five (5) Business Days' notice to the Bank, to permanently reduce the Stated Amount from time to time prior to the Stated Expiration Date; *provided*, that the Stated Amount may not be reduced below an amount equal to the then Outstanding principal amount of the Notes plus interest thereon at the Maximum Interest Rate for a period of two hundred seventy (270) days. An Authorized Board Representative shall also notify the Issuing and Paying Agent of any such reduction in the Stated Amount.

(c) The Obligations of the Board under this Section 2.7 shall survive the termination of the Letter of Credit and the payment of all other Obligations hereunder.

Section 2.8 Computation of Interest and Fees. Fees payable hereunder shall be non-refundable and calculated on the basis of a year of 365 or 366 days as applicable, and the actual number of days elapsed. Interest payable hereunder shall be calculated on the basis of a year of 365 or 366 days, as applicable and the actual number of days elapsed. Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof.

Section 2.9 Payment Due on Non-Business Day to Be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement on a day which is not a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall be included in the computation of interest and fees.

Section 2.10 Late Payments. If the principal amount of any Obligation is not paid when due, such Obligation shall bear interest until paid in full at a rate per annum equal to the Default Rate.

Section 2.11 Source of Funds. All payments made by the Bank pursuant to the Letter of Credit shall be made from funds of the Bank, and not from the funds of any other Person.

Section 2.12 Extension of Stated Expiration Date. If the Board on any date which is not more than ninety (90) days prior to the Stated Expiration Date (as the same may be extended from time to time), but not less than ninety (90) days (or such lesser number of days as may be acceptable to the Bank in writing) prior to the Stated Expiration Date, submits to the Bank a written request for an extension of the Stated Expiration Date for a period as specified in such written request, the Bank will make reasonable efforts to respond to such request within 30 days. In the event the Bank fails to definitively respond to such request within such period of time, the Bank shall be deemed to have refused to grant the extension requested. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing. The consent of the Bank, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Bank and consistent with this Agreement. If such an extension request is accepted by the Bank in its absolute discretion, the then current Stated Expiration Date for the Letter of Credit shall be extended to the date agreed to by the Board and the Bank.

Section 2.13 Net of Taxes, Etc.

(a) *Taxes*. Any and all payments to the Bank by the Board hereunder shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, (a) taxes, levies, imposts, deductions, charges, withholdings and liabilities (including without limitation branch profits and similar taxes) imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision, (b) any tax or liability required to be withheld by FATCA, and (c) any tax, levy, impost, deduction, charge, withholding or liability that is imposed, through withholding, backup withholding or otherwise, with respect to amounts payable hereunder or under any Related Document and is attributable to a Bank's failure or inability (other than as a result of a Change of Law) to comply with the requirements of subsection (c) of this Section 2.13 (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "*Taxes*"). If the Board shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder to the Bank, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.13), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Board shall make such deductions and (iii) the Board shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Board shall make any payment under this Section 2.13 to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States then the Bank shall pay to the Board an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the Board with respect to such Taxes. In addition, the Board agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or the State of New York from any payment made hereunder or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as "*Other Taxes*"). The Bank shall provide to the Board within a reasonable time a copy of any written notification it receives with respect to Taxes or Other Taxes owing by the Board to the Bank hereunder *provided* that the Bank's failure to send such notice shall not relieve the Board of its obligation to pay such amounts hereunder.

(b) *Indemnity*. The Board shall, to the fullest extent permitted by law and subject to the provisions hereof, indemnify the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.13 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; *provided* that the Board shall not be obligated to indemnify the Bank for any Taxes, Other Taxes and penalties, interest or expenses relating thereto arising from the Bank's gross negligence or willful misconduct. The Bank agrees to give notice to the Board of the assertion of any claim against the Bank relating to Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided* that the Bank's failure to notify the

Board promptly of such assertion shall not relieve the Board of its obligation under this Section 2.13. Payments by the Board pursuant to this indemnification shall be made within thirty (30) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the Board any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the Board pursuant to this Section 2.13 received by the Bank for Taxes or Other Taxes that were paid by the Board pursuant to this Section 2.13 and to contest, with the cooperation and at the expense of the Board, any such Taxes or Other Taxes which the Bank or the Board reasonably believes not to have been properly assessed.

(c) Upon written request of the Board, the Bank shall deliver to the Board a properly completed and executed IRS Form W-9 or successor form and, where appropriate, such additional certifications as may be reasonably necessary to permit the Board to make its payments under this Agreement or any Related Document without deduction, withholding or backup withholding of any tax, levy, impost, charge or liability. Any Foreign Bank shall, on or before the earlier of (i) the date on which it acquires an interest hereunder or (ii) the date of any payment with respect to which it is a Foreign Bank, and any future time or times prescribed by applicable law or reasonably requested by the Board, deliver to the Board such documentation and information prescribed by applicable law (including, without limitation, a duly completed and executed copy of the appropriate IRS Form W-8 or successor form and, where appropriate, such additional certifications as may be reasonably necessary to establish that all payments to such Foreign Bank are exempt from U.S. federal income and withholding tax) as will permit the Board to make its payments to such Foreign Bank under this Agreement or any Related Document without deduction, withholding or backup withholding of any tax, levy, impost, charge or liability.

(d) Without limiting the generality of the foregoing, if a payment made to or on behalf of a Foreign Bank hereunder or under any of the Related Documents would be subject to tax under FATCA if such Foreign Bank fails to comply with the applicable reporting and other requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Foreign Bank shall use commercially reasonable efforts to, deliver to the Board, at the time or times prescribed by applicable law or as reasonably requested by the Board, (i) two accurate, complete and signed certifications prescribed by applicable law and/or reasonably satisfactory to the Board that establish that such payment is not subject to tax under FATCA and (ii) any other documentation reasonably requested by the Board sufficient for the Board to comply with its obligations under FATCA and to determine that such Foreign Bank has complied with such applicable reporting and other requirements of FATCA. This paragraph shall not apply, however, to any change in law that occurs in respect of the FATCA provisions that the Bank reasonably determines is impossible or unduly burdensome to comply with either economically or in terms of time of staff or advisers. Nothing in this paragraph shall be interpreted to require any Bank to violate laws of the United States or any other jurisdiction in which the Bank does business.

(e) *Notice*. Within thirty (30) days after the date of any payment of Taxes by the Board in connection with the making any payment hereunder or under any Related Document,

the Board shall furnish to the Bank, the original or a certified copy of a receipt or other reasonably satisfactory documentation evidencing payment thereof.

(f) *Survival of Obligations*. The obligations of the Board under this Section 2.13 shall survive the termination of the Letter of Credit and the payment of all other Obligations hereunder.

Section 2.14 Increased Costs.

(a) Subject to the provisions of Section 2.13, which shall govern all matters related to Taxes, Other Taxes and taxes, levies, imposts, deductions, charges, withholdings and liabilities excluded from the definition of Taxes therein (and any liability (including penalties, interest and expenses), with respect thereof), if the Bank shall have determined that the adoption or implementation of, or any change in, after the date hereof, any law, rule, treaty or regulation, or any policy, guideline or directive of, or any change in, after the date hereof, the interpretation or administration thereof by any court, central bank or other administrative or governmental authority (in each case, whether or not having the force of law), or compliance, after the date hereof, by the Bank with any request or directive of any such court, central bank or other administrative or governmental authority (whether or not having the force of law), shall, after the date hereof, (A) impose, modify or deem applicable any reserve, liquidity ratio, special deposit or similar requirement against making or maintaining its obligations under this Agreement or assets held by, or deposit with or for the account of, the Bank, or (B) impose on the Bank any other condition regarding this Agreement or the Letter of Credit, and the result of any event referred to in clause (A) or (B) above shall be to increase the cost to the Bank of making or maintaining its obligations hereunder or maintaining the Letter of Credit, or to reduce the amount of any sum received or receivable by the Bank hereunder, then the Board shall pay to the Bank, at such time and in such amount as is set forth in paragraph (c) of this Section 2.14, such additional amount or amounts as will compensate the Bank for such increased costs or reductions in amount.

(b) If the Bank shall have determined that the adoption or implementation of, or any change in, after the date hereof, any law, rule or regulation, or any policy, guideline or directive of, or any change in, after the date hereof, the interpretation or administration thereof, by, any court, central bank or other administrative or governmental authority, or compliance, after the date hereof, by the Bank or any corporation controlling the Bank with any directive of or guidance from any central bank or other authority (in each case, whether or not having the force of law), shall, after the date hereof, impose, modify or deem applicable any capital adequacy or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank or any corporation controlling the Bank allocates capital resources to its commitments, including its obligations under lines of credit) that either (A) affects or would affect the amount of capital to be maintained by the Bank or any corporation controlling the Bank or (B) reduces or would reduce the rate of return on the Bank's or the Bank's controlling corporation's capital to a level below that which the Bank or the Bank's controlling corporation could have achieved but for such circumstances (taking into consideration the Bank's or the Bank's controlling corporation's policies with respect to capital adequacy), then the Board shall pay to the Bank, at such time and in such amount as is set forth in paragraph (c) of this Section, such additional amount or amounts as will compensate the Bank or the Bank's controlling

corporation for such cost of maintaining such increased capital or the reduction in the rate of return on the Bank's or the Bank's controlling corporation's capital.

(c) Notwithstanding paragraphs (a) and (b) of this Section, the Board shall not be required to compensate the Bank pursuant to paragraphs (a) or (b) of this Section for any increased cost or reduction to the extent incurred by the Bank more than ninety (90) days prior to the date on which the Bank notifies the Board of such changed circumstance described in paragraph (a) or (b) of this Section and the Bank's intention to claim compensation therefor (the "*Cut-off Date*"), except where such amounts described in paragraphs (a) and (b) of this Section apply to the Bank retroactively to a date prior to the Cut-off Date so long as the Bank requests compensation within ninety (90) days from the date on which the applicable court, central bank or other administrative or governmental authority informed the Bank of such changed circumstance. All required payments of amounts referred to in paragraphs
(a) and (b) of this Section shall be due thirty (30) days following the Board's receipt of written notice thereof and shall be payable, in full, on the next succeeding quarterly payment date following such thirty (30) day period that the Letter of Credit Fee is due and payable. A certificate as to such increased cost, increased capital or reduction in return incurred by the Bank as a result of any event mentioned in paragraphs (a) or (b) of this Section setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by the Bank to the Board and shall be deemed conclusive if reasonably determined. In making the determinations contemplated by the above referenced certificate, the Bank may make such reasonable estimates, assumptions, allocations and the like that the Bank in good faith determines to be appropriate.

(d) Notwithstanding anything herein or in any Related Document to the contrary, if the Bank seeks compensation from the Board pursuant to this Section, (i) the Board shall have the option to terminate this Agreement, provided the Board provides notice to the Bank of its intent to terminate this Agreement within thirty (30) days following the Board's receipt of written notice of all required payments of amounts referred to in paragraphs (a) and (b) of this Section and (ii) the Bank shall waive any resulting Termination Fees otherwise payable as a result of early termination hereunder.

(e) The obligations of the Board under this Section 2.14 shall survive the termination of the Letter of Credit and the payment of all other Obligations hereunder.

(f) Anything herein to the contrary notwithstanding, (i) for purposes of this Section 2.14, the term, "*controlling*" means the power to direct the management and policies of the Bank, directly or indirectly, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract or otherwise, including, without limitation, the Bank's direct or indirect parent or holding company, (ii) subsections (a) and (b) of this Section 2.14 shall include any adoption or implementation of, any change regarding Risk- Based Capital Guidelines, and (iii) (A) the Dodd-Frank Act and all requests, rules, rulings, guidelines, regulations or directives thereunder or issued in connection therewith and (B) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, shall in each case be deemed to be a

"change" of the type contemplated by subsections (a) and (b) of this Section 2.14, regardless of the date enacted, adopted or issued.

(g) As provided in Section 8.3 hereof, the Board's liability to any Participant shall not in any event exceed the liability the Board would owe to the Bank but for such Participation.

Section 2.15 Margin Regulations. No portion of the proceeds of any Drawing under the Letter of Credit shall be used by the Board (or the Issuing and Paying Agent or any other Person on behalf of the Board) for the purpose of "*purchasing*" or "*carrying*" any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation U, Regulation T, or Regulation X of the Board of Governors of the Federal Reserve System, as amended, in each case as in effect on the date or dates of such Drawings or Advances and such use of proceeds.

Section 2.16 Maximum Rate; Payment of Fee. Anything in Sections 2.3, 2.4 or 2.10 hereof to the contrary notwithstanding, if the rate of interest payable hereunder shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Maximum Rate (the "*Excess Interest*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the Board shall pay to the Bank, with respect to amounts then payable to the Banks that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Letter of Credit and this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, the Board shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

Section 2.17 Limited Obligations. Notwithstanding any other provision of this Agreement, all Obligations to the Bank under this Agreement, including the Bank Note, are special, limited obligations of the Board, payable solely from and secured by a pledge of Available Pledged Revenues as provided in the Commercial Paper Indenture. Neither the faith and the credit nor the taxing power of the City or any public agency, other than the Port to the extent of the Available Pledged Revenues, is pledged to the payment of the principal of, or interest on, the Bank Note or any other Obligations to the Bank under this Agreement. The Board has no power of taxation.

Section 2.18 Issuance of Notes.

(a) *Issuance Generally*. The Board will permit Notes to be issued, and authorize the Issuing and Paying Agent to issue Notes, only in accordance with the terms of the Commercial Paper Indenture and this Agreement.

(b) *No-Issuance Notices; Final Drawing Notice*. Notes may be issued from time to time prior to the Termination Date in accordance herewith and with the Commercial Paper

Indenture so long as (except in the case of Notes issued pursuant to Sections 2.8 and 2.9 of the Commercial Paper Indenture in connection with transfers, exchanges and replacements of Notes) (i) the Issuing and Paying Agent is not in receipt of a No-Issuance Notice and (ii) the Issuing and Paying Agent is not in receipt of the Final Drawing Notice. The Bank may deliver a No-Issuance Notice at any time when an Event of Default shall have occurred and is continuing. The Bank may deliver the Final Drawing Notice at any time when an Event of Default shall have occurred and is continuing. A No-Issuance Notice or the Final Drawing Notice shall be effective when received by the Issuing and Paying Agent; *provided*, *however*, that a No-Issuance Notice or the Final Drawing Notice received by the Issuing and Paying Agent after 10:00 a.m., on any day on which Notes are being issued shall be effective on the next succeeding day. A No-Issuance Notice or the Final Drawing Notice may be given by facsimile or electronic mail transmission, confirmed in writing within 24 hours, but the failure to so confirm such No-Issuance Notice or the Final Drawing Notice in writing shall not render such No-Issuance Notice or the Final Drawing Notice ineffective. Unless otherwise terminated prior to such date, if the Issuing and Paying Agent receives a Final Drawing Notice, the Letter of Credit will expire at 5:00 p.m., [ ] time, on the earlier of (x) the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date on which the Issuing and Paying Agent receives such Final Drawing Notice (or if the Issuing and Paying Agent receives such Final Drawing Notice after 10:00 a.m. New York time on a Business Day, the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the day after the Issuing and Paying Agent receives such Final Drawing Notice) and (y) the date on which the Drawing resulting from the delivery of such Final Drawing Notice is honored under the Letter of Credit. Notwithstanding anything in this Section 2.18(b) which may be to the contrary, a No-Issuance Notice or Final Drawing Notice shall not affect the obligation of the Bank to honor demands for payment under the Letter of Credit with respect to Notes authenticated prior to the time that such No-Issuance Notice or Final Drawing Notice is effective as provided above. The Bank will furnish a copy of any No-Issuance Notice or the Final Drawing Notice to the Board, the Trustee and the Dealer promptly following delivery thereof to the Issuing and Paying Agent, but the failure to furnish any such copy shall not render ineffective such No-Issuance Notice or the Final Drawing Notice.

Section 2.19 Method of Payment; Etc. All payments to be made by the Board under this Agreement shall be made at the Payment Office not later than 4:00 p.m. on the date when due and shall be made in lawful money of the United States of America in freely transferable and immediately available funds.

Article Three
CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent to Issuance of the Letter of Credit. The obligation of the Bank to issue the Letter of Credit is subject to the fulfillment of the following conditions precedent on or before the Closing Date, in each case, in form and substance and in a manner reasonably satisfactory to the Bank:

(i) *Approvals*. The Bank shall have received a counterpart of this Agreement and the Fee Letter duly executed by the Board and the Bank and copies of all action taken by the Board approving the execution and delivery by the Board of this Agreement and

the other Related Documents, in each case certified by an authorized official of the Board as complete and correct as of the date hereof.

(ii) *Incumbency of Board Officials*. The Bank shall have received an incumbency certificate of the Board in respect of each of the officials who is authorized to (i) sign this Agreement and the other Related Documents on behalf of the Board and (ii) take actions for the Board under this Agreement and the other Related Documents.

(iii) *Opinion of Bond Counsel*. The Bank shall have received a written opinion of Bond Counsel to the Board, addressed to the Bank, dated the Closing Date, to the effect that, subject to customary assumptions and qualifications, (i) this Agreement has been duly authorized, executed and delivered by the Board and is the valid and binding obligation of the Board enforceable in accordance with its terms, except as may be limited by the valid exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization or moratorium or other similar laws applicable to the Board and equitable principles relating to or affecting creditors' rights generally from time to time, (ii) the execution and delivery by the Board of this Agreement does not violate the Charter, and (iii) to its knowledge, the Board has taken all actions, and has obtained any approvals, necessary to the authorization, execution, delivery, and performance by the Board of this Agreement.

(iv) *Opinion of Port Attorney*. The Bank shall have received a written opinion of the Port Attorney, addressed to the Bank, and dated the Closing Date.

(v) *Issuing and Paying Agent; Dealer*. The Issuing and Paying Agent and the Dealer shall have been appointed. The Bank shall have received copies of each of (i) the Dealer Agreement, duly executed by the Dealer, which agreement shall be in full force and effect and (ii) the Issuing and Paying Agent Agreement, duly executed by the Issuing and Paying Agent, which agreement shall be in full force and effect.

(vi) *Commercial Paper Indentures*. The Bank shall have received an executed copy of each of the Commercial Paper Indenture and the Other Commercial Paper Indenture, certified by an authorized officer of the Board as being in full force and effect.

(vii) *No Default, Etc.* (i) No Default or Event of Default shall have occurred and be continuing as of the date hereof or will result from the execution and delivery by the Board of this Agreement and (ii) the representations and warranties made by the Board in Article Four hereof shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date except to the extent that such representations and warranties shall have been true and correct in all material respects on and as of such earlier dates.

(viii) *Legality; Material Adverse Change*. The consummation of any of the transactions contemplated by the Commercial Paper Indenture, the Notes or this Agreement will not violate any law, rule, guideline or regulation applicable to the Board, the Bank or this Agreement and no material adverse change in the ratings, financial condition, business, assets or liabilities of the Port shall have occurred since June 30,

2018, except as disclosed in writing to the Bank prior to the Closing Date or as disclosed in the Offering Memorandum.

(ix) *Fees, Etc.* The Bank shall have received payment of all fees, costs and expenses payable to the Bank as of the Closing Date by or on behalf of the Board in accordance with Section 8.6 hereof and the Fee Letter.

(x) *Other Documents*. The Bank shall have received such other documents, certificates, and opinions as the Bank or the Bank's counsel shall have reasonably requested.

(xi) *Certificate of the Board*. The Bank shall have received a certificate of the Board, dated the Closing Date, stating that on the Closing Date:

(a) the representations and warranties contained in Article Four of this Agreement and each of the other Related Documents to which the Board is a party are true and correct in all material respects on and as of the Closing Date as though made on such date, except, in each case, to the extent that such representations and warranties relate to an earlier date in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date;

(b) no Default or Event of Default has occurred and is continuing, or would result from the transactions contemplated hereby;

(c) there has been no material adverse change in the affairs of the Port, financial or otherwise, since the audited financial statements for the twelve-month period ending on June 30, 2018;

(d) the Board is in compliance with all covenants set forth in Article Five and Article Six hereof; and

(e) all conditions precedent to effectiveness as set forth in this Section 3.1 have been satisfied.

(xii) *Approvals*. The Bank shall have received evidence that the Board has received all consents, licenses, approvals, validations and authorizations of, and received or made, as applicable, all filings, registrations, validations and declarations by or with, and formal exemptions from, (a) any court or any governmental authority having competent jurisdiction over the Port, and (b) any other Person, in each case that are necessary or advisable in connection with, the execution, delivery, performance, validity and enforceability of this Agreement and the other Related Documents (including the Notes) to which the Board is or will be a party, except for such as would not reasonably be expected to have a material adverse effect.

(xiii) *Bank Note; Bank Note Rating*. The Bank shall have received (i) an executed Bank Note payable to the Bank, (ii) at the Board's expense, evidence that a CUSIP number has been obtained and reserved from Standard & Poor's CUSIP Service

for the Bank Note and (iii) at the Board's expense, evidence that at least one Rating Agency acceptable to the Bank has issued a long-term, unenhanced rating on the Bank Note of at least Investment Grade.

(xiv) *Ratings of Notes*. Evidence that the Notes are rated "*P-1*" or better by Moody's or "*A-1*" or better by S&P, it being understood that, in connection with the rating of the Notes, the Bank agrees to use commercially reasonable efforts to cause the delivery of a customary opinion of counsel to the Bank to the Board and each Rating Agency rating the Notes on the Closing Date.

(xv) *Underlying Rating*. Evidence that the long-term, unenhanced Subordinate Revenue Bonds are rated at least "A3" and "A" by Moody's and S&P, respectively.

(xvi) *Litigation*. No action, suit, investigation or proceeding shall be pending or, to the knowledge of the Board, threatened (i) in connection with the Notes, this Agreement or the other Related Documents or any transactions contemplated thereby or hereby or (ii) against or affecting the Board, which could reasonably be expected to have a material adverse effect on the business, operations or condition (financial or otherwise) of the Port, or the ability of the Board to perform its obligations hereunder, or the ability of the Board to perform its obligations under any other Related Documents to which it is a party.

(xvii) *Financial Statements*. Financial statements of the Port for the twelve-month period ending on June 30, 2018, in form and substance reasonably acceptable to the Bank and prepared in accordance with GAAP.

Article Four
REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations of the Board. In order to induce the Bank to issue the Letter of Credit, the Board represents and warrants to the Bank as follows:

(a) *Legal Existence; Powers*. The Port (i) is and will be at the Closing Date, a duly constituted department of the City, organized and existing pursuant to the Act; (ii) has all powers and all material governmental licenses, authorizations, consents, and approvals required to carry on its business as now conducted, except for such as would not reasonably be expected to have a Material Adverse Effect, and (iii) has full power and authority to use the proceeds of the Notes as contemplated in the Commercial Paper Indenture. The Board has full power and authority to perform its obligations under the Commercial Paper Indenture; to execute, deliver and perform this Agreement and the other Related Documents to which it is a party; to borrow and obtain extensions of credit hereunder; to execute, deliver, and perform the Notes and the Bank Note and to pledge the security as described in Section 5.6 hereof.

(b) *Due Authorization*. By official action of the Board, the Board has duly authorized and approved the execution and delivery of this Agreement and the other Related Documents and the performance of its obligations contained in this Agreement and the other Related Documents.

(c) *No Violation; No Conflicts*. The execution, delivery and performance by the Board of this Agreement and the other Related Documents to which it is a party do not and will not conflict with or constitute a material breach of or default under any material law, administrative regulation, judgment, decree, statute, indenture, mortgage, deed of trust, bond, note, resolution, agreement, charter, ordinance, injunction, order, writ, or other instrument to which the Board is a party or binding upon the Board or by which, to its knowledge, the Board or any of its material properties are bound; all material consents, approvals, permits, licenses and authorizations of governmental or regulatory authorities or by or on behalf of any creditors or any other third party, for the valid execution and delivery of this Agreement and the other Related Documents to which it is a party and the performance of the Board's obligations contained herein and therein and obtaining extensions of credit hereunder have been obtained and are in full force and effect; *provided*, that the Board makes no representation or warranty with respect to Blue Sky or state securities laws. The Board is not a party to, or otherwise subject to, any provision contained in any instrument evidencing Indebtedness of the Board, any agreement relating thereto, or any other contract or agreement that limits the amount of, or otherwise imposes restrictions on, the incurring of obligations of the Board that would materially and adversely affect the ability of the Board to perform its obligations hereunder or under any other Related Documents to which it is a party.

(d) *Litigation*. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body pending or, to the knowledge of the Board, threatened against or affecting the Board, the Port or relating to other applicable laws or regulations applicable to the Board, or this Agreement or the other Related Documents in any court or before or by any governmental department, agency, instrumentality, or arbitrator the resolution of which would result in a Material Adverse Effect or which in any manner questions in any material respect the validity or enforceability of this Agreement, the Commercial Paper Indenture, or the other Related Documents or the granting, perfection, enforceability, or priority of the lien on and pledge of the Available Pledged Revenues except any action, suit, or proceeding as described in the Offering Memorandum prepared by the Board relating to the Notes or as otherwise disclosed in writing by the Board to the Bank.

(e) *Validity*. This Agreement and the other Related Documents to which the Board is a party, assuming due authorization, execution, and delivery by the other respective parties thereto, constitute the legal, valid, and binding obligations and agreements of the Board, enforceable against the Board in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and to equitable principles when equitable remedies are sought.

(f) *Accuracy of Financial Reports*. The consolidated component unit statements of the Port for the fiscal year ended June 30, 2018, or the most recently delivered consolidated component unit financial statements delivered pursuant to Section 5.1(a) hereunder, as the case may be, have been audited by the Port's independent public accountants, including the notes thereto and fairly represent in all material respects the financial conditions of the Port as of the respective dates thereof, subject to the limitations contained in the auditor's opinion, and there has been no change in the business, financial condition or results of operations of the Port since the date of the most recently delivered financial statements which would materially and adversely impact the ability of the Board to perform its obligations hereunder or under any other Related Documents to which it is a party which has not been disclosed by the Board to the Bank.

(g) *No Default*. Neither the Board nor the Port is in any material respect, in breach of or default under (i) the Charter, or any applicable law or administrative regulation of the State or of the United States, relating, in each case, to the transactions contemplated hereby or by the other Related Documents, the Senior Lien Indenture or the Intermediate Lien Indenture, or (ii) any applicable judgment or decree, or (iii) any loan agreement, note, resolution, ordinance or other material agreement to which it is a party or is otherwise subject, except in the case of the foregoing clauses (ii) and (iii) for such breaches or defaults as would not result in a Material Adverse Effect. Late delivery of financial statements or other reporting documentation shall not be deemed material for purposes of this Section.

(h) *Complete and Correct Information*. All financial statements, projections and other written information related to the Offering Memorandum with respect to the Board and the Port furnished to the Bank in connection with this Agreement were, at the time the same were so furnished, taken as a whole, true and correct in all material respects, to the extent necessary to give the Bank a true and accurate knowledge of the subject matter in all material respects (it being understood that any projections and pro forma financial information contained in such information were based upon good faith estimates and assumptions believed by the Board to be reasonable at the time made, it being recognized by the Bank that such projection as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results). No document or written statement furnished by the Board to the Bank in connection with the negotiation, preparation, or execution of this Agreement, taken as a whole, contains as of the Closing Date any untrue statement of a fact material to its creditworthiness or omit to state a material fact necessary in order to make the statements contained therein not misleading (it being understood that any projections and pro forma financial information contained in such information were based upon good faith estimates and assumptions believed by the Board to be reasonable at the time made, it being recognized by the Bank that such projection as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results).

(i) *Offering Memorandum*. The Board, acting through duly authorized officials, has duly authorized and approved the Offering Memorandum. Except for the Bank Information (as to which no representation is made), or such other information therein with respect to which the Board expressly makes no representation (i) the Offering Memorandum is, and any supplement shall be, and the Offering Memorandum was, as of its date, in each case, accurate in all material respects and (ii) the Offering Memorandum does not, any supplement shall not, and the Offering Memorandum did not, as of its date, in each case, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) *No Proposed Legal Changes*. As of the Closing Date, there is no amendment, or, to the knowledge of the Board, no proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of California or any published administrative interpretation of the Constitution of the State of California or any State of California law, or any legislation that

has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect (i) the execution and delivery of this Agreement or the other Related Documents to· which the Board is a party, or (ii) the performance by the Board of its obligations under this Agreement or the other Related Documents to which the Board is a party, the Senior Lien Indenture or the Intermediate Lien Indenture.

(k) *Environmental Matters*. The Port investigates and remediates current and historic hazardous materials releases on its real properties as required for compliance with Environmental Laws in all material respects, and responds to regulatory agency orders and directives concerning such activities. Consistent with government accounting board standards, the Port estimates the costs for its pollution remediation obligations. In addition, the Port manages its obligations under Environmental Laws, licenses, permits, contracts, orders and mitigation programs.

(l) *Regulations T, U and X*. The Board is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation T, U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of any Notes will be or have been used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(m) *ERISA*. The Board does not maintain or contribute to, and has not maintained or contributed to, any Plan that is subject to Title IV of ERISA.

(n) *Taxes*. The Port has filed or caused to be filed, if any, all material tax returns required by law to be filed and has paid or caused to be paid all material taxes, assessments and other governmental charges levied upon or in respect of any of its properties, assets or franchises, other than taxes the validity or amount of which are being contested in good faith by the Board by appropriate proceedings and for which the Board shall have set aside on its books adequate reserves in accordance with GAAP.

Section 4.2 Survival of Representations. All representations made under this Agreement shall be made and shall be true in all material respects at and as of (a) the date of any authentication and delivery of any Notes under the Commercial Paper Indenture and (b) the time of each Drawing under the Letter of Credit, except to the extent a representation or warranty relates specifically to an earlier date (in which such case such representation or warranty shall be true and correct in all material respects as of such date). For the avoidance of doubt, the parties hereto acknowledge and agree that notwithstanding anything to the contrary in this Section 4.2 or any Related Document, the Bank shall honor demands for payment under the Letter of Credit when made in accordance with the terms thereof.

Article Five
AFFIRMATIVE COVENANTS

The Board will do the following so long as any amounts may be drawn under the Letter of Credit or any Obligations remain outstanding under this Agreement, unless the Bank shall otherwise consent in writing:

Section 5.1 Financial Statements; Information. The Board will deliver to the Bank: (a) as soon as practicable and in any event within two hundred ten (210) days after the end of each Fiscal Year of the Port, financial statements consisting of a balance sheet of the Port as of the end of such Fiscal Year and a statement of income and retained earnings of the Port for such Fiscal Year, setting forth in comparative form the corresponding figures for the preceding Fiscal Year, all in reasonable detail and accompanied in each case by (i) an unqualified opinion of Macias Gini & O'Connell LLP or another firm of independent public accountants of recognized national standing, selected by the Board and reasonably satisfactory to the Bank, (ii) an audit report of independent public accountants stating that such financial statements have (except as noted therein) been prepared in accordance with GAAP, (iii) a certificate from an authorized financial officer of the Port or Authorized Board Representative stating that no Event of Default or Default has come to such officer's attention which was continuing at the end of such Fiscal Year or on the date of such officer's certificate, or, if an Event of Default or Default has come to such officer's attention and was continuing at the end of such Fiscal Year or on the date of such certificate, indicating the nature of such Event of Default or Default and the action which the Board proposes to take with respect thereto and (iv) a certificate of compliance with financial covenants under Section 6.5 of this Agreement and Section 5.04(b) of the Intermediate Lien Indenture setting forth in detail the calculation of the rates contemplated by such covenants; (b) as soon as practicable and in any event within ninety (90) days after the end of each Fiscal Year, the annual budget of the Port; (c) promptly upon the Board obtaining knowledge of the occurrence of any Default or Event of Default a certificate of an Authorized Board Representative setting forth the details thereof and the action which the Board is taking or proposes to take with respect thereto; and (d) promptly upon the Board obtaining knowledge thereof, notice of any matter that has resulted or would be reasonably expected to result in a Material Adverse Effect.

Section 5.2 Inspection. The Board will furnish to the Bank such information regarding the financial condition, results of operations or business of the Port as the Bank may reasonably request and will upon reasonable notice permit any Person, designated by the Bank in writing, at the Bank's expense, to visit and inspect any of the properties of the Port, to examine publicly available records of the Port and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the Port with the principal officers of the Port and its independent public accounts, all at such reasonable times as the Bank may reasonably request, *provided* that so long as no Event of Default shall have occurred and be continuing, such visits and inspections shall occur no more than once every calendar quarter.

Section 5.3 Compliance with Agreements; Incorporation by Reference. The Board will observe and perform all of its material obligations under this Agreement, the Notes and the other Related Documents to which it is a party. Notwithstanding anything in this Section 5.3 to the contrary, the Board shall fully and faithfully perform each of the covenants, obligations and agreements required to be performed or observed by it under Sections 2.2 and 6.3 of the Commercial Paper Indenture (the "*Commercial Paper Indenture Covenants*") and Sections 2.09(d)-(f), 2.10, 2.11, 2.13, 4.01, 4.02, 5.04(b), 5.06, 5.07, 5.08, 5.11, 5.12, 5.13, 5.17, 5.18, 5.19 and 5.20 of the Intermediate Lien Indenture (the "*Intermediate Lien Indenture Covenants*") and Sections 2.09(d)-(e), 2.10, 2.11, 2.13, 4.01, 4.02, 5.03, 5.06, 5.07, 5.08, 5.11, 5.12, 5.14, 5.15, 5.19 and 5.20 of the Senior Lien Indenture (the "*Senior Lien Indenture Covenants*"), which

provisions, as well as the related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. No amendment to such provisions referred to in the preceding sentence made pursuant to any of the Related Documents, the Senior Lien Indenture or the Intermediate Lien Indenture shall be effective to amend such obligations, covenants and agreements and defined terms as incorporated by reference herein without the written consent of the Bank. As of the Closing Date, the Bank has been provided with copies of the Senior Lien Indenture as amended, the Intermediate Lien Indenture as amended, the Commercial Paper Indenture and the Other Commercial Paper Indenture as amended and consents to the above provisions.

Section 5.4 Certain Notices. The Board covenants that it will furnish to the Bank a copy of any notice of default or non-compliance given by the Issuing and Paying Agent to the Board or by the Board to the Issuing and Paying Agent under or in connection with the Notes or any of the Related Documents, in each case promptly after the receipt or giving of the same. The Board further covenants that it will furnish written notice to the Bank upon any violation by the Board of its rate covenant under Section 5.04 of the Senior Lien Indenture or Section 5.04 of the Intermediate Lien Indenture. The Board will give the Bank notice as promptly as practicable (but in no event less than ten (10) Business Days or such shorter period of time acceptable to the Bank) prior to the proposed execution of any amendments to or modifications or waivers of any provisions of the Related Documents to which the Bank is not a party, the Senior Lien Indenture or the Intermediate Lien Indenture.

Section 5.5 Preservation of Existence. The Board covenants that it will preserve and maintain its and the Port's legal existence and maintain in all material respects the powers, functions, duties and obligations necessary or desirable in the normal conduct of its and the Port's business and operations.

Section 5.6 Pledge of Available Revenues. The Notes and the Bank Note shall be special, limited obligations of the Board, shall be payable as to both principal and interest from, and shall be secured by a pledge of, lien on and security interest in all Available Pledged Revenues and all amounts in the funds and accounts created pursuant to the Commercial Paper Indenture (except the Rebate Funds (as defined in the Commercial Paper Indenture)), including earnings on such amounts, subject only to the provisions of the Commercial Paper Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, which pledge, lien and security interest shall be junior and subordinate, first, to the pledge of Pledged Revenues (as defined in the Senior Lien Indenture) and the lien created thereon by the Senior Lien Indenture in favor of the Senior Lien Bonds, second, to the pledge of Pledged Revenues (as defined in the Senior Lien Indenture) and the lien created thereon by the DBW Loans in favor of the Board's repayment obligations thereunder and third, to the pledge of Pledged Revenues (as defined in the Senior Lien Indenture) and the lien created thereon by the Intermediate Lien Indenture in favor of the Intermediate Lien Bonds. Subject to the provisions of the Commercial Paper Indenture, the Available Pledged Revenues are hereby pledged to the payment of the Bank Note and all Obligations of the Board hereunder. The granting of this pledge by the Board does not limit in any manner the rights of the Board to issue any additional Parity Notes or incur any other obligations payable on a parity with or subordinated in right of payment to the Notes and the Bank Note, or from granting a security interest in the Available Pledged Revenues to any other Person in connection with such additional obligations.

Section 5.7 Credit Facilities. In the event that the Board shall enter into or otherwise consent after the date hereof to any credit agreement, bond purchase agreement, liquidity agreement, reimbursement agreement or other agreement or instrument (or any amendment, supplement or modification thereto) under which, directly or indirectly, any Person or Persons undertakes to make loans or extend credit or liquidity, in each case secured by the Available Pledged Revenues, to or for the account of the Board, which such agreement (or amendment thereto) (any such agreement or amendment a "*Designated Agreement*") provides such Person with more restrictive financial covenants, financial covenant levels, financial covenant testing periods and/or greater remedies (including, without limitation, the remedies greater than those set forth in Section 7.2(a) hereof, the "*Remedies*") than are provided to the Bank in this Agreement (collectively, the "*Designated Provisions*"), the Board shall provide the Bank with a copy of each such Designated Agreement and such Designated Provisions shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of such Designated Provisions, *provided*, *however*, that in no event shall any Designated Provisions result in there being any event of default under this Agreement the remedy for which shall be the immediate termination or suspension of the obligation of the Bank to honor a properly presented and conforming Drawing pursuant to the terms of the Letter of Credit. Promptly following the execution and delivery of, or consent to, a Designated Agreement containing Designated Provisions, the Board shall promptly enter into an amendment to this Agreement to include such Designated Provisions (*provided* that the Bank shall maintain the benefit of such Designated Provisions even if the Board fails to provide such amendment).

Section 5.8 Sale of Notes. The Board shall prior to any date on which principal of the Notes becomes due, to the extent permitted by law, use commercially reasonable efforts to offer and sell Notes, or undertake a combination of both of the foregoing, to produce amounts sufficient, together with other funds available therefor, to pay on such date the principal amount of the Notes which is due on such date plus accrued interest thereon and all amounts due to the Bank hereunder in respect thereof, not previously paid from other funds available to the Board.

Section 5.9 Taxes and Liabilities. The Board will pay and discharge or cause to be paid and discharged promptly all material taxes, assessments, and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, real, personal, or mixed, or upon any part thereof, before the same shall become in default except for those matters which are reasonably being contested in good faith by appropriate action or proceedings or for which the Board has established adequate reserves in accordance with GAAP.

Section 5.10 Further Assurances. The Board will at any and all times, insofar as it may be authorized so to do by law, pass, make, do execute, acknowledge, and deliver all and every such further resolutions, acts, assignments, recordings, filings, transfers, and assurances as may be necessary or reasonably desirable for the better assuring, conveying, granting, assigning, and confirming all and singular the rights, revenues, and other funds and the security pledged or assigned to the payment of the Notes, or intended so to be under this Agreement or the other Related Documents.

Section 5.11 Maintenance and Operation of the Port. The Board covenants that it will at all times maintain the Port Facilities, or within the limits of its authority cause the same to be maintained, in good condition and working order and will operate the same, or cause the same to be operated, in accordance with sound business principles, in each case, except where failure to

do so would not result in a Material Adverse Effect. In operating and maintaining the Port Facilities, the Board will comply with all valid and enforceable contractual provisions and agreements entered into by it and with all valid and applicable rules, regulations, directives or orders of any governmental, administrative or judicial body with jurisdiction over the Port, except, in each case, to the extent that noncompliance with such contract provisions, agreements, rules, regulations, directives or orders would not result in a Material Adverse Effect.

Section 5.12 Insurance. The Board will keep the Port insured in accordance with the provisions of the Senior Lien Indenture.

Section 5.13 Alternate Letter of Credit; Defeasance. The Board agrees to use its reasonable efforts to obtain an Alternate Credit Facility for the Letter of Credit on or prior to the Stated Expiration Date or shall use commercially reasonable efforts to take such other action as will result in the payment of all amounts owed to the Bank in the event that (i) the Bank decides not to extend the Stated Expiration Date (such replacement to occur on the then current Stated Expiration Date) or (ii) the Letter of Credit shall otherwise terminate in accordance with its terms.

Section 5.14 [Reserved.]

Section 5.15 Litigation and Other Actions. The Board shall promptly notify the Bank of (i) the existence and status of any litigation or any other action, suit or proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality which individually or in the aggregate would likely have a material adverse effect on (A) the financial condition or operations of the Port, (B) the Notes, (C) the Board's ability to pay and perform its obligations hereunder or under any other Related Documents, (D) its ability to fix, charge, impose, and collect rentals, rates, fees, and other charges for the use of the Port, or (E) the enforceability or validity of the Related Documents, the Senior Lien Indenture or the Intermediate Lien Indenture.

Section 5.16 Swap Contracts. The Board shall at all times require that any termination fees or settlement amounts payable in connection with any Swap Contract entered into by the Board on or after the date hereof shall be subordinate to the payment of the Obligations hereunder; *provided*, *however*, that the foregoing shall not operate to prevent amendments and supplements to Swap Contracts entered into prior to the date hereof as long as such amendments or supplements do not operate to modify the priority of payment of any related termination fees or settlement amounts. The Board shall not provide any collateral to support the obligations of the Board under any Swap Contracts.

Section 5.17 Dealers; Issuing and Paying Agent. The Board shall at all times maintain one or more Dealers and an Issuing and Paying Agent under the Commercial Paper Indenture and the Issuing and Paying Agent Agreement. The Board will not, without the prior written consent of the Bank, such consent not to be unreasonably withheld, appoint or permit the appointment of a successor Dealer or Issuing and Paying Agent. The Board shall use commercially reasonable efforts to cause the Dealer and the Issuing and Paying Agent to sell, issue, and deliver, as applicable, Notes at then prevailing market interest or discount rates up to the Maximum Interest Rate. If any Dealer fails to sell Notes for thirty (30) consecutive days, then the Board agrees, at the written request of the Bank, to cause the applicable Dealer to be

replaced with a Dealer reasonably satisfactory to the Bank. The Board shall use commercially reasonable efforts to have any dealer agreement with a successor Dealer provide that (a) such dealer may resign upon at least sixty (60) days' prior written notice to the Board, Issuing and Paying Agent and the Bank, (b) such dealer shall use its best efforts to sell the Notes at then prevailing market interest or discount rates up to the Maximum Interest Rate, and (c) such dealer shall offer the Notes for sale at then prevailing market interest or discount rates up to the maximum rate permitted under the Related Documents.

Section 5.18 Sovereign Immunity. To the fullest extent permitted by law, the Board agrees not to assert the defense of governmental immunity or sovereign immunity in any proceeding by the Bank to enforce any of the obligations of the Board under this Agreement. This Section 5.18 relates only to this Agreement and to the Board's obligations hereunder; it does not relate to any other matters or any other agreement with other parties, and the Board expressly reserves any rights it may have to assert such a defense in such other matters or with respect to such other parties. Further, this waiver does not affect or modify any other liabilities or limitations of liabilities of the Board which are addressed by the California Tort Claim Act (California Government Code 810 et seq.). For the avoidance of doubt, this Section 5.18 does not affect or modify the provisions of Section 8.18 hereof.

Section 5.19 ERISA. The Board will comply in all material respects with Title IV of ERISA, if, when and to the extent applicable.

Section 5.20 Performance of This and Other Agreements. Subject to Section 2.17 and the other terms of this Agreement, the Board will punctually pay or cause to be paid all amounts payable under this Agreement, the other Related Documents, the Intermediate Lien Indenture (after any applicable grace period) and the Senior Lien Indenture (after any applicable grace period) in accordance with their respective terms.

Section 5.21 Ratings. The Board shall at all times maintain at least two long-term unenhanced ratings on the Subordinate Revenue Bonds of at least "*BBB*-" (or its equivalent) byS&P, "*BBB*-" (or its equivalent) by Fitch and/or,"Baa3" (or its equivalent) by Moody's.

Article Six
NEGATIVE COVENANTS

The Board will comply with the following so long as any amounts may be drawn under the Letter of Credit or any Obligations remain outstanding under this Agreement, unless the Bank shall otherwise consent in writing:

Section 6.1 Compliance With Laws, Etc. The Board covenants that it will not violate any applicable laws, acts, statutes, ordinances, governmental orders, rules, regulations, judgments, investment policy guidelines and decrees (including, without limitation, all Environmental Laws), noncompliance with which would, singularly or in the aggregate, have a Material Adverse Effect.

Section 6.2 Amendments. The Board covenants that it will not amend or modify, or consent to the amendment, modification or supplement or waiver of any of the provisions of the Related Documents, the Senior Lien Indenture or the Intermediate Lien Indenture that would

have a Material Adverse Effect or in any way that would materially adversely affect (i) the rights, remedies or security of the Bank thereunder or hereunder or (ii) the obligations of the Board under this Agreement, in each case without the prior written consent of the Bank. The Board covenants that it will not amend or modify, or consent to the amendment or modification of Sections 2.11 or 5.04 of the Senior Lien Indenture or the Intermediate Lien Indenture, in each case without the prior written consent of the Bank, which such consent shall not be unreasonably withheld.

Section 6.3 General Tax Covenant. The Board will not knowingly take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Notes which have been issued as tax-exempt Notes from the gross income of such owners for purposes of federal income taxation.

Section 6.4 Liens. Except as permitted by the Senior Lien Indenture, the Intermediate Lien Indenture or the DBW Loans, and except for any secured equipment financing obligations and purchase money mortgages (which equipment financing obligations and purchase money mortgages shall not exceed $25,000,000 in the aggregate) or the Commercial Paper Indenture or the Other Commercial Paper Indenture, the Board will not, without the prior written consent of the Bank, (a) issue any bonds, notes or other evidences of indebtedness of similar nature payable out of or secured by a security interest in or a pledge or assignment of the Pledged Revenues (as defined in the Senior Lien Indenture) or Available Pledged Revenues, or (b) create or cause to be created any Lien on the Pledged Revenues (as defined in the Senior Lien Indenture) or Available Pledged Revenues.

Section 6.5 Subordinate Revenue Bonds Coverage Ratio. The Board shall not permit the Subordinate Revenue Bonds Coverage Ratio, as of the last day of each Fiscal Year, to be less than 1.10 to 1.00.

Section 6.6 Sale or Encumbrance of the Port. During the term of this Agreement, and as long as any Notes or any interest thereon remain outstanding, or any amount may be drawn under the Letter of Credit or any Obligations remain outstanding under this Agreement, except as permitted hereunder or under the other Related Documents, the Senior Lien Indenture or the Intermediate Lien Indenture, the Board will not transfer, sell or otherwise dispose of any material portion of the Port Facilities, (any such transfer, sale or disposition herein referred to as a "*Disposition*"); *provided*, *however*, that this provision shall not prevent the Board from disposing of any portion of the Port Facilities which is being replaced or is deemed by the Board to be obsolete, worn out, surplus or no longer needed for the proper operation of the Port. The Board hereby acknowledges that the proceeds of any Disposition constitute Pledged Revenues and agrees to deposit all such proceeds into the Port Revenue Fund.

Section 6.7 Regulations U and X. The Board is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of Notes will be used to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose that would violate Regulation U or X issued by the Board of Governors of the Federal Reserve System.

Section 6.8 Mergers. The Board will not be a party to any merger or consolidation.

Section 6.9 Offering Memorandum. The Board shall not refer to the Bank in any offering memorandum or make any changes in reference to the Bank in any offering memorandum without the Bank's prior consent thereto, such consent not to be unreasonably withheld (the Bank hereby giving its consent to the use of the Bank Information in the Offering Memorandum as in effect on the Closing Date).

Section 6.10 Investments, Acquisitions, Loans and Advances. The Board will not directly or indirectly, make, retain or have outstanding any investments (whether through purchase of stock or obligations or otherwise) in, or loans or advances to any other Person, or acquire all or any substantial part of the assets or business of any other Person, or subordinate any claim or demand it may have to the claim or demand of any other Person, in each case, outside of the ordinary course of business to the extent that any of the foregoing would be reasonably expected to have a Material Adverse Effect.

Article Seven
DEFAULTS

Section 7.1 Events of Default and Remedies. If any of the following events shall have occurred and be continuing, each such event shall be an "*Event of Default*":

(a) the Board shall fail to pay (i) any Reimbursement Obligation or interest thereon as and when due hereunder or (ii) any other Obligation as and when due hereunder and such failure continues for a period of three (3) Business Days after written notice hereof;

(b) any representation or warranty made by the Board in this Agreement, any other Related Document or in any certificate, financial statement, or other document delivered pursuant to this Agreement or any other Related Document shall (in any such case) have been incorrect or untrue in any materially adverse respect when made or deemed to have been made;

(c) (i) breach by the Board of any covenant, agreement, or other requirement contained in Sections 5.5 (with respect to legal existence), 5.6, 5.11, 5.16, or 5.18 (in the event the breach of such covenant is the result of the issuance of additional Indebtedness) or 5.21 or in Article Six hereof or breach by the Board of any Commercial Paper Indenture Covenant (after any applicable grace period), Intermediate Lien Indenture Covenant (after any applicable grace period), or Senior Lien Indenture Covenant (after any applicable grace period) or (ii) breach by the Board of any covenant, agreement or other requirement contained in Sections 5.1, 5.2, 5.4, 5.8, 5.12, 5.13, 5.15, or 5.17 (in the event the breach of such covenant is the result of an event not enumerated in (i) above) or 5.20 and such default shall remain unremedied for a period of thirty (30) days or more after the Board obtains actual knowledge thereof or the Bank shall have given the Board written notice of such Default;

(d) breach by the Board of any other covenant, agreement, or condition (other than those referred to or contained in clauses (a), (b), or (c) above) contained in this Agreement, any other Related Document or incorporated by reference in this Agreement and such default shall remain unremedied for a period of thirty (30) days or more after the Board obtains actual knowledge thereof or the Bank shall have given the Board written notice of such Default; provided, that so long as the Board shall be proceeding with due diligence to remedy any Default in the due performance or observance of such covenants which, if begun and prosecuted with due diligence, cannot be completed within a period of thirty (30) days, then such thirty (30) day

period shall be extended to (i) ninety (90) days or (ii) such longer period as reasonably approved by the Bank as shall be necessary to enable the Board to complete the remedying of such default through the exercise of due diligence;

(e) (i) the Board, the Port or the City shall commence a voluntary case or other proceeding seeking (x) liquidation, reorganization, or other relief with respect to the Board, the Port or the City or its respective debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or (y) the appointment of a receiver, liquidator, custodian, or other similar official with respect to the Board, the Port or the City or any substantial part of its respective property, or (z) shall consent or acquiesce to such relief or the appointment of or to the taking possession by any such official in an involuntary case or other proceeding commenced against it; (ii) a receiver, liquidator, custodian, or other official, appointed in an involuntary case or proceeding commenced against the Board, the Port or the City, appointed without consent or acquiescence of the Board, the Port or the City, as applicable, shall take charge of a substantial part of the Board, the Port or the City, as applicable; (iii) the Board, the Port or the City shall make a general assignment for the benefit of creditors, or declare a moratorium with respect to its debts, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any or all of the foregoing; or (iv) an involuntary case or other proceeding shall be commenced against the Board, the Port or the City seeking (x) liquidation, reorganization, or other relief with respect to the Board's, the Port's or the City's debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or (y) the appointment of a custodian, receiver, liquidator, trustee or other similar official of the Board, the City or the Port or any substantial part thereof, and such proceeding or case shall not be dismissed or stayed within sixty (60) days after the filing thereof or an order of relief shall be entered against the Board, the Port or the City under the federal bankruptcy laws as now or hereafter in effect;

(f) any holders or provider of any Senior Lien Bonds, DBW Loans, Subordinate Revenue Bonds, Notes or any Parity Notes (collectively, the "*Other Debt*") or a trustee for any holders of such Other Debt at the time outstanding exercise any right to declare the principal thereof to be payable prior to the maturity thereof;

(g) (i) default by the Board in the payment when due (after giving effect to any applicable grace period) of any Indebtedness secured by all or any portion of its Pledged Revenues (as defined in the Senior Lien Indenture), which Indebtedness is outstanding in the aggregate principal amount of not less than $25,000,000 (the "*Cross- Default Debt*") or (ii) the occurrence of any event under any ordinance, resolution or instrument giving rise to any such Cross-Default Debt, which event has resulted in the acceleration of the maturity of any such Cross-Default Debt;

(h) (i) any provision of this Agreement or any other Related Document relating to the Board's ability to make payments to the Bank hereunder, to make payments on the Notes or to raise funds to meet such payment obligations or any other material provision of this Agreement, the Commercial Paper Indenture or the Issuing and Paying Agent Agreement relating to the security for any Notes or the Bank Note or the rights and remedies of the Bank under this Agreement shall at any time for any reason cease to be valid and binding on the Board as a result of federal or state legislative or administrative action, or shall be declared in a final non-appealable judgment by any court having jurisdiction over the Board to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be contested by the Board, or (ii) the Board (A) repudiates or otherwise denies, in writing, in a judicial or administrative

proceeding that it has any further liability or obligation hereunder, or (B) contests, in a judicial or administrative proceeding, the validity or enforceability of any material provision of this Agreement or any other Related Document relating to or otherwise affecting the Board's obligation to make payments on the Notes or to raise funds to meet such payment obligations;

(i) (A) a final unappealable judgment or order for the payment of money in excess of $25,000,000 payable from the Pledged Revenues (as defined in the Senior Lien Indenture) shall be rendered against the Board and such judgment or order shall continue unsatisfied or unstayed for a period of sixty (60) days, or (B) the Board shall have failed promptly to lift any execution, garnishment, or attachment pursuant to such judgment or order;

(j) the powers of the Board shall be limited in any way which prevents the Board from fixing, charging or collecting rates and charges for the use and services of the Port in any amount sufficient to pay its debts as they become due; or

(k) any event of default under any Related Document which is not cured within any applicable cure period shall have occurred, or any event of default shall have occurred and be continuing under or with respect to any other credit enhancement or liquidity agreement supporting any other subseries of Notes (as defined respectively therein); or

(l) any event of default which is not cured within any applicable cure period shall have occurred and be continuing under any Other Bank Agreement.

Section 7.2 Remedies. Upon the occurrence of any Event of Default the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies herein or by law provided:

(a) Upon the occurrence and during the continuance of any Event of Default, the Bank may, at the same or different times, so long as such Event of Default shall not have been remedied to the sole satisfaction of the Bank (subject to paragraph (b) below), take one or more of the following actions: (i) declare all Obligations payable hereunder, except with respect to the Reimbursement Obligations or the Bank Note, to be immediately due and payable, (ii) in the case of an Event of Default under Section 7.1(f), declare the principal of and interest on all Reimbursement Obligations and the Bank Note to be immediately due and payable, (iii) issue a No-Issuance Notice (the effect of which shall be as provided in Section 2.18 of this Agreement), (iv) otherwise reduce the Stated Amount of the Letter of Credit to an amount not less than the then outstanding Notes supported by the Letter of Credit plus interest thereon at the Maximum Interest Rate for a two hundred seventy (270)-day period, (v) issue the Final Drawing Notice (the effect of which shall be as provided in Section 2.18 of this Agreement), and (vi) proceed to enforce all other remedies available under the Related Documents or at law or in equity including, without limitation, specific performance and mandamus. In addition to the foregoing, upon the occurrence of an Event of Default under Section 7.1(a), 7.1(e), 7.1(g) or 7.1(h) of this Agreement, the Bank may, at the same or different times, so long as such Event of Default shall not have been remedied to the sole satisfaction of the Bank (subject to paragraph (b) below), and upon not less than ten (10) days' written notice received by the Chief Financial Officer and the Port Attorney of the Port, declare the principal of and interest on all Reimbursement Obligations and the Bank Note, to be immediately due and payable (*provided* that, in the case of an Event of Default described in Section 7.1(e) hereof, such acceleration shall automatically occur unless waived in writing by the Bank). Any amounts payable hereunder, including accelerated amounts, shall be due and payable only from and to the extent of Available Pledged Revenues,

and then only to the extent that the Board would have remaining Net Revenues (as defined in the Senior Lien Indenture) in its then current Fiscal Year equal to at least 100% of the actual debt service and other obligations (excluding for this purpose capitalized interest) yet to become due and payable on the outstanding Senior Lien Bonds, DBW Loans and Subordinate Revenue Bonds in such Fiscal Year. Any such amounts not paid by the Board in any Fiscal Year by operation of the foregoing limitation shall (subject to paragraph (b) below) be ongoing legal obligations of the Board to be included in the successive Fiscal Year's determination of rates, tolls, fees, rentals and charges in connection with the Port under Section 5.04(a)(3) of the Senior Lien Indenture and Section 5.04(a)(v) of the Intermediate Lien Indenture and shall be forthwith due and payable in such successive Fiscal Year of the Board, but only from and to the extent of Available Pledged Revenues, and then only to the extent that the Board would have remaining Net Revenues (as defined in the Senior Lien Indenture) in such Fiscal Year equal to at least 100% of the actual debt service and other obligations (excluding for this purpose Capitalized Interest) yet to become due and payable on the outstanding Senior Lien Bonds, DBW Loans and Subordinate Revenue Bonds in such Fiscal Year. No No-Issuance Notice or reduction in the Stated Amount pursuant to clause (iii) or (iv) of the first sentence of this Section 7.2(a) shall be effective, except as provided in Section 2.18, and no such reduction shall affect the obligation of the Bank to honor demands for payment under the Letter of Credit with respect to Notes authenticated prior to the effectiveness of the No-Issuance Notice in accordance with Section 2.18. Except as expressly provided above in this Section 7.2(a), presentment, demand, protest and all other notices of any kind are expressly waived. The Bank shall promptly give telephonic notice, followed by written confirmation, of any declaration or reduction pursuant to clauses (i), (ii), (iii), (iv) or (v) of the first sentence of this Section 7.2(a) to the Board, the Dealer and the Issuing and Paying Agent. Except as expressly provided above in this Section 7.2(a) with respect to notice to the Issuing and Paying Agent of a reduction in the Stated Amount and the issuance of a No-Issuance Notice or Final Drawing Notice, failure to give any such notice shall not impair the effect of such declaration or reduction.

(b) The provisions of the preceding paragraph are subject to the conditions that, if (i) after the principal of the Bank Note, any Other Debt or any Cross- Default Debt shall have been declared to be due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Board shall cause to be deposited with the Issuing and Paying Agent or the applicable trustee under or the creditors of such Other Debt or such Cross-Default Debt, as applicable, (1) a sum sufficient to pay all matured installments of interest upon the Bank Note, Other Debt and Cross-Default Debt, (2) the principal of the Bank Note, Other Debt and Cross-Default Debt which shall have become due otherwise than by reason of such declaration (with interest upon such principal and, to the extent permissible by law, on overdue installments of interest, at the rate per annum specified herein or in the respective Other Debt or Cross-Default Debt, as applicable), and (3) such amount as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Bank and any other credit enhancer, and (ii) all Events of Default hereunder other than nonpayment of the principal of such Bank Notes, such Other Debt or such Cross-Default Debt which shall have become due by such declaration shall have been remedied to the satisfaction of the Bank, then the Bank shall waive the Event of Default and rescind or annul the acceleration and its consequences and the Bank shall promptly give written notice of such waiver, rescission or annulment to the Board; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Article Eight
MISCELLANEOUS

Section 8.1 Amendments, Waivers, Etc. No amendment or waiver of any provision of this Agreement, or consent to any departure by the Board therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 8.2 Notices. All notices and other communications provided for hereunder shall be in writing (including required copies) and sent by receipted hand delivery (including Federal Express or other receipted courier service), telecopy, facsimile transmission, electronic mail, or regular mail, as follows:

(a) if to the Board:

Port of Oakland
530 Water Street
Oakland, California 94607
Attention: Chief Financial Officer

Telephone: [( ) -]
Telecopy: [( ) -]

and Attention: Port Attorney
Telephone: [( ) -]
Telecopy: [( ) -]
Electronic Mail:

(b) if to the Bank:

[ ]
[ ]
[ ]
[ ]
Attention: [ ]
Telephone: [( ) -]
Telecopy: [( ) -]
Electronic Mail:

(c) in the case of communications to the Bank with respect to drawings under the Letter of Credit with

(d) a copy to:

[ ]
[ ]
[ ]
[ ]
Telephone: [( ) -]
Facsimile: [( ) -]

(e) if to Issuing and Paying Agent: [ ]
[ ]
Telecopy: [( ) -]
Electronic Mail:

(f) with respect to the finance information deliverable per Section 5.1:

(g) if to the Dealer: To the address set forth in the Dealer Agreement

or, as to each Person named above, at such other address as shall be designated by such Person in a written notice to the parties hereto. All such notices and other communications shall, when delivered, telecopied, sent by facsimile transmission, electronic mail, or mailed, be effective when deposited with the courier, telecopied, sent by facsimile transmission or electronic mail, or mailed respectively, addressed as aforesaid, except that requests for Advances submitted to the Bank shall not be effective until received by the Bank. A party's address may be changed by written notice to the other party; *provided*, *however*, that no notice of a change of address shall be effective until actual receipt of such notice.

Section 8.3 Survival of Covenants; Successors and Assigns.

(a) All covenants, agreements, representations, and warranties made herein and in the certificates delivered pursuant hereto shall survive the termination of the Letter of Credit and shall continue in full force and effect until all of the Obligations hereunder shall have been paid in full. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the last sentence of this Section, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the Board which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Bank. The Board may not transfer its rights or obligations under this Agreement without the prior written consent of the Bank. The Bank may transfer some or all of its rights and obligations under this Agreement and the Letter of Credit with the prior written consent of the Board, *provided* that (i) the Board has received written confirmation from the rating agencies then rating the Notes that the transfer shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Notes, (ii) the Bank shall be responsible for all costs resulting from the transfer, (iii) such transfer is not prohibited by or does not otherwise conflict with the Commercial Paper Indenture, and (iv) such transfer has been properly recorded in the Register. This Agreement is made solely for the benefit of the Board and the Bank, and no other Person (including, without limitation, the Issuing and Paying Agent, the Dealer or any holder of Notes) shall have any right, benefit or interest under or because of the existence of this Agreement; *provided further* that the Board's liability to any Participant shall not in any event exceed that liability which the Board would owe to the Bank but for such participation.

(b) The Bank, acting solely for this purpose on behalf of the Board, shall maintain at one of its offices located in the United States of America a copy of the documentation relating to all assignment or transfer of any of its rights and obligations under this Agreement and the Letter of Credit (other than transfers taking the form of a grant of a Participation pursuant to Section 8.3(c) and shall maintain a register for the recordation of the name and address of each assignee

or transferee, and the commitments of, and principal amounts of and interest on, the Advance(s) and/or Term Loan(s) of such assignee or transferee (the "*Register*"). The entries in the Register shall be conclusive, and the Board may treat each Person whose name is recorded in the Register pursuant to the terms of this Section 8.3(b) as an assignee or transferee of the Bank for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Board at any reasonable time and from time to time upon reasonable prior notice. No assignment of any of rights and obligations under this Agreement and the Letter of Credit (other than transfers taking the form of a grant of a Participation pursuant to Section 8.3(c)) shall be given effect unless and until recorded in the Register.

(c) Notwithstanding the foregoing, the Bank shall be permitted to grant to one or more financial institutions (each a "*Participant*") a participation or participations in all or any part of the Bank's rights and benefits and obligations under this Agreement and the Letter of Credit on a participating basis but not as a party to this Agreement (a "*Participation*") without the consent of the Board; *provided* that the Board's liability to any Participant shall not in any event exceed that liability which the Board would owe to the Bank but for such Participation; *provided further* that the Bank agrees to give the Board notice of such grant of a Participation upon the effectiveness thereof. In the event of any such grant by the Bank of a Participation to a Participant, the Bank shall remain responsible for the performance of its obligations hereunder and under the Letter of Credit, and the Board shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement and the Letter of Credit. The Bank, acting solely for this purpose on behalf of the Board, shall maintain at one of its offices located in the United States of America a copy of the documentation relating to each grant of a Participation in any Advance or Term Loan and shall maintain a register for the recordation of the name and address of each Participant, and the commitments of, and principal amounts of and interest on, the Advance(s) and/or Term Loan(s) in which each such Participant holds a Participation from time to time (the "*Participant Register*"). The entries in the Participant Register shall be conclusive, and the Board may treat each Person whose name is recorded in the Participant Register pursuant to the terms of this Section 8.3(c) as a Participant for all purposes of this Agreement, notwithstanding notice to the contrary. The Participant Register shall be available for inspection by the Board at any reasonable time and from time to time upon reasonable prior notice. No Participation shall be given effect unless and until recorded in the Participant Register. Notwithstanding anything to the contrary in this Agreement or any Related Document, no Participant shall be entitled to the benefits of subsections (a) or (b) of Section 2.13 of this Agreement, unless such Participant agrees for the benefit of the Board to comply and does comply with the provisions of subsections (c) and (d) thereof as though it were the Bank. Subject to this Section 8.3(c), the Board agrees that each Participant shall, to the extent of its Participation, be entitled to the benefits of this Agreement as if such Participant were the Bank, *provided* that no Participant shall have the right to declare, or to take actions in response to, an Event of Default under Section 7.1 hereof.

Section 8.4 Unconditional Obligations. Subject to Section 2.17 and the other terms of this Agreement, the obligations of the Board under this Agreement shall be absolute, unconditional, irrevocable and payable strictly in accordance with the terms of the Commercial Paper Indenture and this Agreement, under all circumstances whatsoever, including, without limitation, the following:

(a) any lack of validity or enforceability of this Agreement, the Letter of Credit or, to the extent permitted by law, the Notes, the Commercial Paper Indenture or any other Related Document;

(b) any amendment or waiver of or any consent to departure from the terms of all or any of the Related Documents to which the Bank has not consented in writing;

(c) the existence of any claim, counterclaim, set-off, recoupment, defense, or other right which any Person may have at any time against the Bank, the Board, the Issuing and Paying Agent, the Dealer, or any other Person, whether in connection with this Agreement, the Commercial Paper Indenture, the Related Documents, or any other transaction related thereto;

(d) any statement or any other document presented pursuant hereto or pursuant to the Letter of Credit which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(e) payment by the Bank of a Drawing or an Advance against presentation of a request which the Bank in good faith determines to be valid, sufficient or genuine and which subsequently is found not to comply with the terms of this Agreement; *provided that* such payment shall not have constituted negligence of the Bank; and

(f) any other circumstances or happening whatsoever whether or not similar to any of the foregoing.

Section 8.5 Liability of Bank; Indemnification. (a) Subject to Section 2.17 and the other terms of this Agreement, to the extent permitted by applicable law, the Board agrees to indemnify and hold harmless the Bank and any Participant and their respective officers, directors, employees and agents (each, an "*Indemnified Party*") from and against any and all claims, actions, investigations, suits and other legal proceedings, and from any and all claims, demands, costs, charges, counsel fees, damages, losses, liabilities and other expenses whatsoever which an Indemnified Party may sustain or incur (or which may be claimed against an Indemnified Party by any Person or entity whatsoever) by reason of, in consequence of or arising out of or in connection with or relating to the transactions contemplated by this Agreement or the other Related Documents, including without limitation (a) the issuing, offering, sale or resale of the Notes (including, without limitation, by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Related Documents, or in the Offering Memorandum or in any supplement or amendment thereof or remarketing circular in accordance therewith (excluding, in each case, any Bank Information), or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances in which they are or were made, not misleading) (excluding any Bank Information), (b) the validity, sufficiency or genuineness of the Related Documents or the Offering Memorandum, (c) the execution and delivery and performance of this Agreement or the Letter of Credit, (d) payment or failure to pay hereunder, (e) the use of any proceeds of the Notes or this Agreement or the Letter of Credit or (f) any other act or activity (or failure to act) of the Board or any other party to the Related Documents, including but not limited to any act or

activity financed with the proceeds of the Notes, *provided* that the Board shall not be required to indemnify an Indemnified Party for any losses, claims, damages, liabilities, costs and expenses to the extent that there has been a final, non-appealable determination by a court of competent jurisdiction that such losses, claims, damages, liabilities, costs and expenses were caused by the willful misconduct or gross negligence of the party seeking to be indemnified and *provided further* that the Board's indemnification obligations under this Section 8.5 shall not extend to the matters governed by Section 2.13 or Section 2.14 of this Agreement. The Obligations of the Board under this Section 8.5 shall survive the termination of the Letter of Credit and the payment of all other Obligations hereunder.

(b) The Board agrees that the Bank shall have no liability or responsibility for the acts or omissions of the Dealer, the Issuing and Paying Agent or the Trustee in respect of the use of this Agreement or any Drawings funded by the Bank under the Letter of Credit. The Bank shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Trustee, the Dealer or the Issuing and Paying Agent which results in the failure of the Issuing and Paying Agent to effect a Drawing to or to comply with the applicable provisions of the Commercial Paper Indenture or any other Related Document to which the Trustee is a party. Neither the Bank nor any of its officers or directors shall be liable or responsible for: (a) the use which may be made of this Agreement or any amounts funded by the Bank under the Letter of Credit or for any acts or omissions of the Trustee, the Dealer, the Issuing and Paying Agent or their agents in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; or (c) any other circumstances whatsoever under the Letter of Credit or this Agreement; except only that the Board shall have a claim against the Bank and the Bank shall be liable to the Board to the extent of any direct, as distinguished from consequential or punitive (the right to receive consequential or punitive damages being hereby waived), damages suffered by the Board caused by the Bank's failure to honor a properly presented and conforming drawing under the Letter of Credit or the Bank's gross negligence or willful misconduct, in each case, as determined by a final non-appealable judgment; *provided*, *however*, that the maximum amount of damages recoverable by the Board as provided above is expressly limited to the Stated Amount. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(c) The obligations of the Board under this Section 8.5 shall survive the termination of this Agreement.

Section 8.6 Expenses. The Board will promptly pay the reasonable fees and expenses of counsel to the Bank incurred in connection with the preparation, execution and delivery of this Agreement and the other Related Documents (but in no event shall such fees and expenses exceed $[ ]). In addition, the Board agrees to pay, after the occurrence and during the continuance of an Event of Default, all reasonable costs and expenses (including reasonable attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the Board hereunder by reason of such Event of Default. The obligations of the Board under this Section 8.6 shall survive the termination of this Agreement.

Section 8.7 No Waiver; Conflict. Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder, nor any course of dealing with respect to

any of the same, shall operate as a waiver thereof, preclude any other or further exercise thereof nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The remedies herein provided are cumulative, and not exclusive of any remedies provided by law. To the extent of any conflict between this Agreement, the Letter of Credit, the Commercial Paper Indenture and any other Related Documents, this Agreement shall control solely as between the Board and the Bank.

Section 8.8 Modification, Amendment, Waiver, Etc. No modification, amendment or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed in accordance with Section 8.1 hereof.

Section 8.9 Dealing with the Board, the Issuing and Paying Agent, and/or the Dealer. The Bank and its affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the Board, the Issuing and Paying Agent, and/or the Dealer regardless of the capacity of the Bank hereunder.

Section 8.10 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

Section 8.11 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 8.12 Table of Contents; Headings. The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

Section 8.13 Entire Agreement. This Agreement represents the final agreement between the parties hereto with respect to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties hereto as to such subject matter.

Section 8.14 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York; *provided* that the obligations of the Board hereunder shall be governed by, and construed in accordance with, the laws of the State

Section 8.15 Waiver of Jury Trial; Jurisdiction. (a) Each of the parties hereto hereby submits to the non-exclusive jurisdiction of any federal or state court of competent jurisdiction in the State, County of Alameda for the purpose of any suit, action or other proceeding arising out of or relating to this Agreement; service of process may be accomplished by registered mail, return receipt requested to each of the parties at the address listed for notice in Section 8.2 hereof.

(b) To the extent permitted by law, the Board and the Bank irrevocably waives any

and all right to trial by jury in any legal proceeding arising out of or relating to legal claims based on the Board's or the Bank's performance of its obligations under this Agreement or any other Related Document.

(c) The waivers made pursuant to this Section 8.15 shall be irrevocable and unmodifiable, whether in writing or orally, and shall be applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement.

(d) If the waiver of jury trial contained in Section 8.15(b) hereof is unenforceable for any reason, then any action or proceeding is filed in a court of the State of California by or against any party hereto in connection with any of the transactions contemplated by this Agreement or any other Related Document, the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee (who shall be a single active or retired judge) to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision, *provided* that at the option of any party to such proceeding, any such issues pertaining to a "*provisional remedy*" as defined in California Code of Civil Procedure Section 1281.8 shall be heard and determined by the court.

Section 8.16 Governmental Regulations. The Bank hereby notifies the Board that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107.56 (signed into law October 26, 2001)) (the "*Act*"), it is required to obtain, verify and record information that identifies the Board, which information includes the name and address of the Board and other information that will allow the Bank to identify the Board in accordance with the Act.

The Board represents and warrants and covenants and agrees that it is not and shall not be listed on the Specially Designated National and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("*OFAC*"), the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Bank from making any advance or extension of credit to the Board or from otherwise conducting business with the Board.

Section 8.17 Electronic Transmissions. The Bank is authorized to accept and process any amendments, transfers, assignments of proceeds, Drawings, consents, waivers and all documents relating to the Letter of Credit which are sent to Bank by electronic transmission, including SWIFT, electronic mail, telex, telecopy, telefax, courier, mail or other computer generated telecommunications and such electronic communication shall have the same legal effect as if written and shall be binding upon and enforceable against the Board. The Bank may, but shall not be obligated to, require authentication of such electronic transmission or that the Bank receives original documents prior to acting on such electronic transmission.

Section 8.18 No Personal Liability of Board Members and Officials. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any present or future Board member, official, officer, agent or employee of the Board or the Port, in his individual capacity, and neither the members of the Board, officers and employees of the Port, nor any person executing this Agreement shall be liable personally hereunder or be subject to any personal liability or accountability by reason hereof.

Section 8.19 Bank Information.

(a) The Bank agrees to provide to the Board and the Dealer written information concerning the Bank on not more than a quarterly basis (based on the Bank's fiscal year) as the Dealer and/or the Board shall expressly request from the Bank in writing in connection with the preparation by the Board and/or the Dealer of Offering Materials and for such other purposes as may be reasonably needed by the Port, *provided* that such requested information is reasonably available to the Bank. The Bank further agrees to provide to the Dealer and the Board the certificate of an authorized officer of the Bank regarding the accuracy of the Bank Information.

(b) The Bank agrees to notify immediately in writing the Board, the Dealer and the Issuing and Paying Agent of any actual or publicly announced consideration of any suspension, reduction or withdrawal in the ratings of the Bank by any Rating Agency.

Section 8.20 Bank Compliance with Laws. The Bank agrees to comply in all material respects with all applicable City and Port laws, ordinances, rules, regulations and policies, including without limitation, the City of Oakland Living Wage Policy, contained in City Charter Section 728, and the Port's Non-Discrimination and Small Local Business Utilization Policy. The Bank represents that it is familiar with Section 1090 and Section 87100 et seq. of the California Government Code, and that it does not know of any facts that constitute a violation of said sections in connection with this Agreement. The Bank also represents that it has completely disclosed to the Port all facts bearing upon any possible interests, direct or indirect, which the Bank believes any member of the Port, or other officer, agent or employee of the Port or any department presently has, or will have, in this Agreement, or in the performance hereof, or in any portion of the profits hereunder. Willful failure to make such disclosure, if any, shall constitute ground for termination of this Agreement by the Port for cause. The Bank agrees that it will comply with all applicable conflict of interest codes adopted by the City and Port and their reporting requirements.

Section 8.21 Covenant Against Contingent Fees. The Bank warrants that no person or agency has been employed or retained to solicit or obtain this Agreement upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Board, at its option, may annul this Agreement or deduct therefrom the contract price or otherwise recover from the Bank the full amount of the contingent fee.

As used in this Section, the following terms have the following meanings:

(a) "*bona fide agency*" means an established commercial or selling agency maintained by the Bank, as applicable, for the purpose of securing business, which neither exerts nor proposes to exert improper influence to solicit or obtain contracts with the Board nor holds itself out as being able to obtain any contract or contracts with the Board through improper influence.

(b) "*bona fide employee*" means a person employed by the Bank and subject to the Bank's supervision and control as to time, place and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain contracts with the Board nor holds itself out as being able to obtain any contract or contracts with the

Board through improper influence.

(c) "*contingent fee*" means any commission, percentage, brokerage or other fee that is contingent upon the success that a person or concern has in securing a contract with the Board.

(d) "*improper influence*" means any influence that induces or tends to induce a commissioner, employee or officer of the Board to give consideration or to act regarding a contract with the Board on any basis other than the merits of the matter.

Section 8.22 Commercial Paper Indenture. The parties hereto hereby acknowledge and agree that during the term of this Agreement all references to the term "*Administrative Agent*" in the Commercial Paper Indenture shall be deemed references to the Bank.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Board and the Bank have duly executed this Agreement as of the date first above written.

BOARD OF PORT COMMISSIONERS OF
THE CITY OF OAKLAND, CALIFORNIA

By:_____

Name:_____

Title:_____

APPROVED AS TO FORM AND LEGALITY:
THIS [ ] DAY OF [ ]

By:

Port Resolution No.....,_

-

[ ]

By_____:_____
Name
Title:

APPENDIX I

FORM OF LETTER OF CREDIT

EXHIBIT A

IRREVOCABLE TRANSFERABLE LETTER OF CREDIT

[ ]
[ ]
[ ]
[ ]

[ ], [20]
U.S. $[ ]
No. [ ]

[ ] as
Issuing and Paying Agent
[ ]
[ ]

Attention: [ ]

Ladies and Gentlemen:

We hereby establish, at the request and for the account of the Board of Port Commissioners of the City of Oakland, California (the *"Board"*), in your favor, as Issuing and Paying Agent (the *"Issuing and Paying Agent"*) appointed pursuant to the terms of that certain Amended and Restated Issuing and Paying Agent Agreement dated as of August 1, 2010, as it is from time to time amended, supplemented, waived or modified in accordance therein (the *"Issuing and Paying Agent Agreement"*), between the Issuing and Paying Agent and the Board, with respect to the Port of Oakland, California Commercial Paper Notes issued pursuant to that certain Trust Indenture dated as of October 1, 1998, as amended by that certain First Supplemental Trust Indenture dated as of August 2, 2010, each between the Board and U.S. Bank National Association (successor in interest to U.S. Bank Trust National Association), as trustee (the *"Trustee"*), as it is from time to time amended, supplemented, waived and modified in accordance therein (the *"Trust Agreement"*), pursuant to which the Board's Commercial Paper Notes in the form of the Commercial Paper Notes, Series [ ] (Exempt Facility) (the *"Series [ ] Notes"*), Commercial Paper Notes, Series [ ] (Governmental) (the *"Series [ ] Notes"* and together with the Series [ ] Notes, collectively referred to herein as the *"Tax-Exempt Notes"*) and the Commercial Paper Notes, Series [ ] (Taxable) (the *"Taxable Notes"* and together with the Tax-Exempt Notes, collectively referred to herein as the *"Notes"*), are being issued, our Letter of Credit No. [ ] in the maximum available amount of $ [ ] (calculated as the sum of the maximum principal amount of the Notes (*i.e.,* $[ ]) plus interest thereon at the maximum rate of [ ] percent ([ ]%) per annum for a period of two hundred seventy (270) days calculated on the basis of a year of 365 days) (as more fully described below), as reduced,

reinstated and decreased from time to time (the *"Stated Amount"*), which may be drawn upon from time to time in respect of the principal of and actual interest accrued and to accrue on the Notes (or, in the case of Taxable Notes issued at a discount, the accreted value of such Taxable Notes), effective on the date hereof and expiring at 5:00 p.m., [ ] time at our office in [ ] set forth below on [ ], except as extended pursuant to a notice from us to you in the form attached hereto as Annex E (the *"Stated Expiration Date"*) or terminated earlier as hereafter provided; *provided, however*, that if the Stated Expiration Date is not a Business Day, the Stated Expiration Date shall be the next succeeding Business Day (as hereinafter defined). The Stated Amount is subject to reductions and reinstatements as provided herein. All drawings under this Letter of Credit will be paid with our own immediately available funds and will not be paid directly or indirectly from funds or collateral on deposit with or for the account of, or pledged with or for the account of, us by the Board. This Letter of Credit is being issued pursuant to the terms of that certain Reimbursement Agreement dated as of [ ] (as the same may at any time be amended, supplemented, waived or modified and in effect, the *"Reimbursement Agreement"*), between the Board and [ ] (the *"Bank"*). *"Eligible Notes*" means Notes which are not registered in the name of the Board or, to the best knowledge of the Issuing and Paying Agent, any nominee for or any Person who owns such Notes for the benefit of the Board.

We hereby irrevocably authorize you to draw on us in an aggregate amount not to exceed the Stated Amount of this Letter of Credit set forth above and in accordance with the terms and conditions and subject to the reductions and reinstatements in amount as hereinafter set forth, (a) in one or more Drawings (as hereinafter defined) (subject to the provisions contained in the second following paragraph) payable as set forth herein on a Business Day, by presentation of your written and completed certificate signed by you in the form of (i) Annex A-1 (with respect to the payment at maturity of the principal of and interest at maturity on Notes (or, in the case of Taxable Notes issued at a discount, the accreted value of such Taxable Notes at maturity)), or (ii) Annex A-2 (with respect to the payment at maturity of the principal of outstanding Notes and the interest to accrue through the maturity thereof (or, in the case of Taxable Notes issued at a discount, the accreted value of such Taxable Notes at maturity) and that are outstanding as of the date that you receive notice from us in the form of Annex H hereto (the *"Final Drawing Notice"*)), attached hereto (any such certificate in the form of Annex A-1 or Annex A-2 being a *"Drawing"*), in an aggregate amount not exceeding the Stated Amount of this Letter of Credit. *"Business Day"* means any day other than (i) a Saturday, Sunday or other day on which commercial banks in New York, New York, San Francisco, California, or the city in which is located the office of the Bank on which Drawings on this Letter of Credit will be made, are authorized or required by law to close or (ii) a day on which the New York Stock Exchange is closed.

Upon our honoring any Drawing, the Stated Amount and the amount available to be drawn hereunder by you pursuant to any subsequent Drawing shall be automatically decreased by an amount equal to the amount of such Drawing. In connection therewith, the Stated Amount and the amounts from time to time available to be drawn by you hereunder by any Drawing (except in the case of a Drawing resulting from the delivery of a Final Drawing Notice) shall be increased when and to the extent, but only (i) when and to the extent of (a) amounts received by the Bank as reimbursement by the Board with respect to such Drawing (including any Advance

or Term Loan made in connection therewith) and the Bank's written notice to the Issuing and Paying Agent confirming the receipt and amount of such reimbursement, or (b) amounts on deposit in the Commercial Paper Bank Payment Account deemed to be held for the account of the Bank as reimbursement for a Drawing, and (ii) if you have not received from us a No-Issuance Notice in the form attached hereto as Annex G.

Upon your receipt of a Final Drawing Notice from us in the form of Annex H hereto: (i) you are required to acknowledge and accept such Final Drawing Notice in accordance with such Final Drawing Notice and return the same to the Bank, (ii) the Stated Amount shall be permanently reduced to the principal amount and/or face amount of Notes outstanding at the time of your receipt of such Final Drawing Notice (or, subject to paragraph 2 of the Final Drawing Notice, at the end of the Business Day on which you received the Final Drawing Notice), plus interest accrued or to accrue thereon to maturity (as you shall certify upon your receipt of such Final Drawing Notice), and (iii) the Stated Amount shall be further permanently reduced upon the Bank honoring the Final Drawing , and the Stated Amount shall no longer be reinstated following any Drawings.

The Stated Amount of this Letter of Credit shall also be permanently reduced from time to time on each Decrease Date specified in, and in the amount set forth in, a notice from us to you in the form attached hereto as Annex F (each, a *"Decrease Notice"*). As of the applicable Decrease Date and upon such reduction, the new Stated Amount shall not be less than your certification in the applicable Decrease Notice of the sum of the principal amount and/or face amount of all outstanding Notes plus interest thereon at the maximum rate of [ ] percent ([ ]%) per annum for a period of two hundred seventy (270) days calculated on the basis of a year of 365 days.

Each Drawing shall be dated the date of its presentation, and shall be presented to the Bank by facsimile (at facsimile number [( ) -]), Attention: [ ], without further need of documentation, including the original of this Letter of Credit), it being understood that each Drawing so submitted is to be the sole operative instrument of drawing. You shall use your best efforts to give telephonic notice of a drawing to the Bank at [( ) -] on the Business Day preceding the day of such drawing (but such notice shall not be a condition to drawing hereunder and you shall have no liability for not doing so). If we receive any Drawing at such office, in strict conformity with the terms and conditions of this Letter of Credit, not later than 11:00 a.m., New York time on a Business Day prior to the termination hereof, we will honor the same by 1:00 p.m., New York time on the same day in accordance with your payment instructions. If we receive any Drawings at such office, all in strict conformity with the terms and conditions of the Letter of Credit, after 11:00 a.m., New York time on a Business Day prior to the termination hereof, we will honor the same by 1:00 p.m., New York time on the next succeeding Business Day in accordance with your payment instructions.

Payment by the Bank under this Letter of Credit shall be made by wire transfer of immediately available funds to: [ ] (such account or any other account specified by you in writing to the Bank [ ]).

Upon payment to you or to your account of the amount demanded hereunder, the Bank shall be fully discharged of its obligation under this Letter of Credit with respect to such demand

for payment and shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such demand for payment to you or any other person who may have made to you or makes to you a demand for payment of principal of or interest on any Note (or, in the case of Taxable Notes issued at a discount, the accreted value of such Taxable Notes). By paying to you an amount demanded in accordance herewith, the Bank makes no representations as to the correctness of the amount demanded.

This Letter of Credit shall expire at [ ], on the date (the earliest of such date to occur referred to herein as the *"Termination Date"*) which is the earliest of (i) Stated Expiration Date, (ii) the later of the date on which we receive written notice from you in the form of Annex C attached hereto that a substitute letter of credit has been substituted for this Letter of Credit in accordance with Section 10.1 of the Trust Agreement (such substitute letter of credit, an "*Alternate Credit Facility*") and the date on which the last Drawing associated with all previously issued Notes supported by this Letter of Credit is honored hereunder, (iii) the date on which we receive written notice from you in the form of Annex D attached hereto that there are no longer any Notes Outstanding within the meaning of the Trust Agreement and that you elect to terminate the Letter of Credit, or (iv) the earlier of (A) the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date on which you receive the Final Drawing Notice (or if you receive the Final Drawing Notice after 10:00 a.m. New York time on a Business Day, the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the day after your receipt of the Final Drawing Notice) and (B) the date on which the Drawing resulting from the delivery of the Final Drawing Notice is honored hereunder.

This Letter of Credit is transferable to any transferee whom you have certified to us has succeeded you as Issuing and Paying Agent under the Trust Agreement, and may be successively transferred in its entirety. Only you or your successor as Issuing and Paying Agent may make Drawings under this Letter of Credit. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit accompanied by a Transfer Request in the form of Annex B attached hereto signed by the transferor and the transferee (each a *"Transfer"*) together with the original Letter of Credit. Upon our receipt of your request, accompanied by a signature guarantee validating the signatures appearing thereon, we shall endorse the Letter of Credit and forward the same to the new beneficiary (i.e. transferee). Upon the effective date of such transfer, as set forth in such Transfer, the transferee instead of the transferor shall without necessity of further action, be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place; *provided that,* in such case, any certificates of the Issuing and Paying Agent to be provided hereunder shall be signed by one who states therein that he is a duly authorized officer or agent of the transferee.

This Letter of Credit sets forth in full our undertaking but not any of our rights (whether under applicable law or otherwise), and such undertaking (and in no event any of our rights (whether under applicable law or otherwise)) shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Notes), except only the Drawings referred to herein, the ISP98 (as hereinafter defined) and the Uniform Commercial Code of the State of New York; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Drawings.

If a Drawing does not conform to the terms and conditions of the Letter of Credit, we will use commercially reasonable efforts to give telephonic notice to the Issuing and Paying Agent thereof within the time set forth above for honor of such demand for payment; such notice, if given, to be confirmed in writing to the Issuing and Paying Agent within one Business Day after such notice.

Other than the provisions for communication by facsimile copy, communications with respect to this Letter of Credit shall be addressed to [ ], specifically referring to the number of this Letter of Credit, or as otherwise provided in writing to us. For telephone assistance, please contact [( ) -].

Except as expressly stated herein, this Letter of Credit is governed by, and construed in accordance with, the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the *"ISP98"*). As to matters not governed by the ISP98, this Letter of Credit shall be governed by and construed in accordance with Article 5 of the Uniform Commercial Code of the State of New York, without regard to conflict of laws.

All payments made by us hereunder shall be made from our funds and not with the funds of any other person.

[SIGNATURE PAGE TO FOLLOW]

Very truly yours,

[ ]

By_ Name:_____
Title: _____

BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND, CALIFORNIA

ANNEX A-1

TO

[ ]

IRREVOCABLE TRANSFERABLE LETTER OF CREDIT NO. [ ]

CERTIFICATE FOR DRAWING IN CONNECTION WITH THE PAYMENT OF PRINCIPAL AND INTEREST OR ACCRETED VALUE

[ ]
[ ]
[ ]
[ ]
[ ]

FOR THE URGENT ATTENTION OF STANDBY LETTER OF CREDIT DEPARTMENT

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the *"Issuing and Paying Agent"*), hereby certifies to [ ] (the *"Bank"*), with reference to Irrevocable Transferable Letter of Credit No. [ ] (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement and is acting as the agent for the holders of the Notes.

2. The undersigned is making a drawing under the Letter of Credit with respect to a payment of the principal of and accrued interest on maturing Notes (or, in the case of Taxable Notes issued at a discount, the accreted value of such Taxable Notes), which payment is due on_____.

3. [The amount of the Drawing is equal to $_____with $_____ being drawn in respect of the payment of principal of maturing Notes (other than Taxable Notes issued at a discount) and $_____being drawn in respect of the payment of interest on maturing Notes (other than Taxable Notes issued at a discount).] [The amount of the Drawing is equal to $_____being drawn in respect of the payment of the accreted value of Taxable Notes.] [Unless both of the immediately preceding sentences apply, strike the sentence that does not apply.] Such amounts were computed in compliance with the terms and conditions of the Notes and the Trust Agreement. The amount of the Drawing being drawn in respect of the payment of principal of and accrued interest on or accreted value of maturing Notes does not exceed the Stated Amount of the Letter of Credit. The amount demanded hereby does not include any amount in respect

of the Notes registered in the name of the Board or, to the knowledge of the Issuing and Paying Agent, any nominee for or any Person who owns such Notes for the benefit of the Board.

4. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will apply the same directly to the payment when due of the principal amount of the Notes (other than Taxable Notes issued at a discount) and the interest amount owing on account of the Notes (other than Taxable Notes issued at a discount) or the accreted value of Taxable Notes issued at a discount, as applicable, pursuant to the Trust Agreement, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Notes have been presented for payment and paid by us, we will cancel such matured Notes.

5. Payment by the Bank pursuant to this drawing shall be made to the Beneficiary Payment Account.

6. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the_____day of_____,_____.

_____, as Issuing and Paying Agent

By_____
Name:_____
Title: _____

BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND, CALIFORNIA

ANNEX A-2
TO
[ ]
IRREVOCABLE TRANSFERABLE LETTER OF CREDIT NO. [ ]

CERTIFICATE FOR DRAWING IN CONNECTION WITH THE PAYMENT OF PRINCIPAL AND INTEREST OR ACCRETED VALUE AFTER FINAL DRAWING NOTICE
IRREVOCABLE TRANSFERABLE LETTER OF CREDIT NO. [ ]

[ ]
[ ]
[ ]
[ ]
[ ]

FOR THE URGENT ATTENTION OF STANDBY LETTER OF CREDIT DEPARTMENT

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the *"Issuing and Paying Agent"*), hereby certifies to [ ] (the *"Bank"*), with reference to Irrevocable Transferable Letter of Credit No. [ ] (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement and is acting as the agent for the holders of the Notes.

2. The Issuing and Paying Agent has received the Final Drawing Notice.

3. Pursuant to the Trust Agreement and the Issuing and Paying Agent Agreement, the undersigned is making a Drawing under the Letter of Credit with respect to a payment of (i) the principal of and interest to accrue through the maturity thereof on all outstanding Notes (other than Taxable Notes issued at a discount) and (ii) the accreted value of Taxable Notes issued at a discount at maturity, in each case previously issued in accordance with the Trust Agreement.

4. The amount of the Drawing is equal to $_____with $_____ being drawn in respect of the payment of principal of maturing Notes (other than Taxable Notes issued at a discount), $_____being drawn in respect of the payment of interest on maturing Notes (other than Taxable Notes issued at a discount) and $_____ being drawn in respect of the payment of the accreted value of Taxable Notes issued at a discount. Such amounts were computed in compliance with the terms and conditions of the Notes and the Trust Agreement. The amount of the Drawing being drawn in respect of the payment of principal of, accrued interest on, and interest payable to maturity of, or the accreted value at maturity of, the Notes does not exceed the Stated Amount of the

Letter of Credit. The amount requested for payment hereunder has not been and is not the subject of a contemporaneous request for payment under the Letter of Credit.

5. Upon receipt by the undersigned of the amount demanded hereby, (a) the undersigned will apply the same directly to the payment when due of the principal amount of the Notes (other than Taxable Notes issued at a discount) and the interest amount owing on account of the Notes (other than Taxable Notes issued at a discount) or the accreted value of Taxable Notes issued at a discount, as applicable, pursuant to the Trust Agreement, (b) no portion of said amount shall be applied by the undersigned for any other purpose, (c) no portion of said amount shall be commingled with other funds held by the undersigned, except for other funds drawn under the Letter of Credit, and (d) when such Notes have been presented for payment and paid by us, we will cancel such matured Notes.

6. This Certificate is being presented to the Bank on a date which is no later than the 14th calendar day after receipt by the Issuing and Paying Agent of the Final Drawing Notice.

7. Payment by the Bank pursuant to this drawing shall be made to the Beneficiary Payment Account.

8. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the_____day of_____,_____.

_____, as Issuing and Paying Agent

By_____
Name:_____
Title: _____

BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND, CALIFORNIA

ANNEX B

TO

[ ]

IRREVOCABLE TRANSFERABLE LETTER OF CREDIT NO. [ ]

REQUEST FOR TRANSFER

Date: _____

[ ] (the *"Transferring Bank"*)

[ ]
[ ]
[ ]

FOR THE URGENT ATTENTION OF STANDBY LETTER OF CREDIT DEPARTMENT

Re: [ ] Irrevocable Transferable Letter of Credit No. [ ]

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit (the *"Letter of Credit"*) in its entirety to:

NAME OF TRANSFEREE

_____

(Print Name and complete address of the Transferee)

"Transferee"

ADDRESS OF TRANSFEREE

_____

_____

CITY, STATE/COUNTRY ZIP

_____

In accordance with the ISP98, Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Letter of Credit are transferred to the Transferee, who shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Letter of Credit, including amendments to this date, is attached and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse thereof. The undersigned Transferor requests that you notify the Transferee of this Letter of Credit in such form and manner as you deem appropriate, and the terms and conditions of the Letter of

Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee.

Transferor represents and warrants that (a) the Transferee is the Transferor's successor issuing and paying agent under the Trust Agreement, (b) the enclosed Letter of Credit is original and complete, and (c) there is no outstanding demand or request for payment or transfer under the Letter of Credit affecting the rights to be transferred.

The Effective Date shall be the date hereafter on which you effect the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

This Request is made subject to ISP98 and is subject to and shall be governed by the laws of the State of New York, without regard to principles of conflict of laws.

(Signature Page Follows)

Sincerely yours,

_____
(Print Name of Transferor)

_____
(Transferor's Authorized Signature)

_____
(Print Authorized Signers Name and Title)

_____
(Telephone Number/Fax Number)

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.

_____
(Print Name of Bank)

_____
(Address of Bank)

_____
(City, State, Zip Code)

_____
(Print Name and Title of Authorized Signer)

_____
(Authorized Signature)

_____
(Telephone Number)

_____
(Date)

Acknowledged:

_____
(Print Name of Transferee)

_____
(Transferee's Authorized Signature)

_____
(Print Authorized Signers Name and Title)

_____
(Telephone Number/Fax Number)

Acknowledged as of_____, 20

[ ]

By: Name:_____
Title:_____

SIGNATURE GUARANTEED
Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement.

_____
(Print Name of Bank)

_____
(Address of Bank)

_____
(City, State, Zip Code)

_____
(Print Name and Title of Authorized Signer)

_____
(Authorized Signature)

_____
(Telephone Number)

_____
(Date)

BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND, CALIFORNIA

ANNEX C

TO

[ ]

IRREVOCABLE TRANSFERABLE LETTER OF CREDIT NO. [ ]

CERTIFICATE RE: ALTERNATE CREDIT FACILITY

[ ]
[ ]
[ ]
[ ]
[ ]

FOR THE URGENT ATTENTION OF STANDBY LETTER OF CREDIT DEPARTMENT

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the *"Issuing and Paying Agent"*), hereby certifies to [ ] (the *"Bank"*), with reference to Irrevocable Transferable Letter of Credit No. [ ] (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement for the holders of the Notes.

2. The conditions precedent to the acceptance of a substitute letter of credit set forth in Section 10.1 of the Trust Agreement (such substitute letter of credit, an "*Alternate Credit Facility*") have been satisfied.

3. An Alternate Credit Facility in full and complete substitution for the Letter of Credit has been accepted by the Issuing and Paying Agent and is in effect.

4. There will be no further Drawings requested from the Bank under the Letter of Credit after the date on which the last Drawing associated with all previously issued Notes supported by the Letter of Credit is presented (the *"Final Drawing Date"*).

5. Upon the later of receipt by the Bank of this Certificate and the Final Drawing Date, the Letter of Credit shall terminate with respect to all outstanding Notes, and the Letter of Credit is herewith or will then be returned to you for cancellation.

6. No payment is demanded of you in connection with this notice.

7. The undersigned is the duly authorized officer of the Issuing and PayingAgent.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the_____day of_____,_____.

_____, as Issuing and Paying Agent

By_____
Name:_____
Title: _____

BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND, CALIFORNIA

ANNEX D

TO

[ ]

IRREVOCABLE TRANSFERABLE LETTER OF CREDIT NO. [ ]

CERTIFICATE RE: NO OUTSTANDING NOTES

[ ]
[ ]
[ ]
[ ]
[ ]

FOR THE URGENT ATTENTION OF STANDBY LETTER OF CREDIT DEPARTMENT

The undersigned, a duly authorized officer of the undersigned Issuing and Paying Agent (the *"Issuing and Paying Agent"*), hereby certifies to [ ] (the *"Bank"*), with reference to Irrevocable Transferable Letter of Credit No. [ ] (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. The undersigned is the Issuing and Paying Agent under the Issuing and Paying Agent Agreement and the Trust Agreement for the holders of the Notes.

2. No Notes (other than Notes with respect to which an Alternate Credit Facility is in effect) remain outstanding under the Trust Agreement nor does the Board intend to issue any additional Notes to be supported by the Letter of Credit under the Trust Agreement.

3. There will be no further Drawings requested from the Bank under the Letter of Credit, and we hereby elect to terminate the Letter of Credit and return such Letter of Credit to you herewith for cancellation.

4. No payment is demanded of you in connection with this notice.

5. The undersigned is the duly authorized officer of the Issuing and Paying Agent.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the_____day of_____,_____.

_____, as Issuing and Paying Agent

By_____
Name:_____
Title: _____

BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND, CALIFORNIA

ANNEX E

TO

[ ].

IRREVOCABLE TRANSFERABLE LETTER OF CREDIT NO. [ ]

NOTICE OF EXTENSION OF STATED EXPIRATION DATE

[ ]
as Issuing and Paying Agent
[ ]
[ ]

Attention: _____

The undersigned, duly authorized signatory of [ ] (the *"Bank"*), hereby notifies_____(the *"Issuing and Paying Agent"*), with reference to Irrevocable Transferable Letter of Credit No. [ ] (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, related to the Board's Commercial Paper Notes in the form of the Commercial Paper Notes, Series [ ], Commercial Paper Notes, Series [ ] or the Commercial Paper Notes, Series [ ], as follows:

1. We hereby notify you that the Stated Expiration Date of the Letter of Credit has been extended to_____.

2. This letter should be attached to the Letter of Credit and made a part thereof.

3. All other terms and conditions of the Letter of Credit remain unchanged.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice as of the _____ day of_____,_____.

[ ]

By_____
Name:_____
Title: _____

BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND, CALIFORNIA

ANNEX F

TO

[ ]

IRREVOCABLE TRANSFERABLE LETTER OF CREDIT NO. [ ]

CERTIFICATE RE: REDUCTION IN STATED AMOUNT

[ ]
as Issuing and Paying Agent
[ ]
[ ]

Attention: _____

The undersigned, duly authorized signatory of [ ] (the *"Bank"*), hereby certifies to_____(the *"Issuing and Paying Agent"*), with reference to Irrevocable Transferable Letter of Credit No. [ ] (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, related to the Board's Commercial Paper Notes in the form of the Commercial Paper Notes, Series [ ], Commercial Paper Notes, Series [ ] or the Commercial Paper Notes, Series [ ], the Stated Amount of the Letter of Credit shall be decreased in the amount of $_____, effective as of_____(the *"Decrease Date"*). The new Stated Amount of the Letter of Credit is $____, of which $_____is applicable to principal (or, in the case of Taxable Notes, accreted value) and $_is applicable to interest, which by your acknowledgement hereto you certify that such amounts are not less than the outstanding principal amount and/or face amount of Notes on such Decrease Date plus interest thereon at the maximum rate of twelve percent (12%) per annum for a period of two hundred seventy (270) days' calculated on the basis of a year of 365 days, respectively, on the Decrease Date. You are hereby authorized to attach this Notice of Decrease in Stated Amount to the Letter of Credit and to treat this Notice of Decrease in Stated Amount as an amendment to the Letter of Credit. All other terms and conditions of the Letter of Credit remain unchanged.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the_____day of_____,_____.

[ ]

By_____
Name:_____
Title: _____

Acknowledged as of_____,_____by
_____, as
Issuing and Paying Agent

By_____
Name:_____
Title: _____

ANNEX G
TO
[ ]
IRREVOCABLE TRANSFERABLE LETTER OF CREDIT NO. [ ]

NO-ISSUANCE NOTICE

[ ]
as Issuing and Paying Agent
[ ]
[ ]

Attention: _____

The undersigned, duly authorized signatories of [ ] (the *"Bank"*), hereby notifies_____(the *"Issuing and Paying Agent"*), with reference to Irrevocable Transferable Letter of Credit No. [ ] (the *"Letter of Credit,"* the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Issuing and Paying Agent, as follows:

1. We hereby notify you that, in accordance with the terms of the Reimbursement Agreement, an Event of Default (as defined in the Reimbursement Agreement) has occurred and is continuing.

2. Subject to the following sentence, you shall cease authenticating Notes, as provided in Section 2.6 of the Trust Agreement, unless and until we rescind this No-Issuance Notice. If you receive this No-Issuance Notice after 10:00 a.m., New York time, on a Business Day you shall cease authenticating Notes on the next Business Day.

3. This No-Issuance Notice shall not affect our obligation to honor demands for payment under the Letter of Credit with respect to Notes authenticated prior to your receipt of this No-Issuance Notice (or, subject to paragraph 2 above, on the same Business Day that you receive this No-Issuance Notice), and you shall continue to have the right to draw under the Letter of Credit to pay the principal of and accrued interest on or accreted value of maturing Notes authenticated prior to your receipt of this No-Issuance Notice (or, subject to paragraph 2 above, authenticated on the same Business Day that you receive this No-Issuance Notice).

4. Upon receipt by you of this No-Issuance Notice, you are notified that the Stated Amount of the Letter of Credit shall be reduced to (i) the principal amount and interest accrued or to accrue thereon to maturity of the Notes (other than Taxable Notes issued at a discount) and (ii) the accreted value at maturity of Taxable Notes issued at a discount, in each case authenticated prior to your receipt of this No-Issuance Notice and outstanding on the date hereof (or, subject to paragraph 2 above, on the same Business Day that you receive this No-Issuance Notice) (*"Outstanding Amount"*).

IN WITNESS WHEREOF, the undersigned have executed and delivered this Notice as of the _____ day of_____,_____.

[ ]

By_____
Name:_____
Title: _____

cc: Port of Oakland
530 Water Street
Oakland, California 94607
Attention: Chief Financial Officer
Telephone: [( ) -]
Telecopy: [( ) -] and

Attention: Port Attorney
Telephone: [( ) -]
Telecopy: [( ) [-]

ANNEX H
TO
[ ]
IRREVOCABLE TRANSFERABLE LETTER OF CREDIT NO. [ ]
CERTIFICATE RE: FINAL DRAWING

[ ]
as Issuing and Paying Agent
[ ]
[ ]
Attention: _____

Reference is made to Irrevocable Transferable Letter of Credit No. [ ] (the *"Letter of Credit"*; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in your favor as Issuing and Paying Agent.

Please be advised that:

(1) An Event of Default under the Reimbursement Agreement has occurred and is continuing.

(2) Subject to the following sentence, you shall cease authenticating Notes, as provided in Section 2.6 of the Trust Agreement. If you receive this notice after 10:00 a.m. New York time on a Business Day, you shall cease authenticating Notes on the next Business Day.

(3) The Bank hereby notifies the Issuing and Paying Agent that (i) effective upon receipt of this Certificate, the Stated Amount available to be drawn under the Letter of Credit will not be reinstated in accordance with the Letter of Credit, (ii) the Issuing and Paying Agent is instructed to make the final Drawing under the Letter of Credit to provide for the payment of (a) the principal of and interest on Notes (other than Taxable Notes issued at a discount) and (b) the accreted value of Taxable Notes issued at a discount, in each case issued in accordance with the Trust Agreement which are outstanding and are maturing or are hereafter to mature, and (iii) the Termination Date of the Letter of Credit will occur and the Letter of Credit will expire on the earlier of (a) the date which is the 15th calendar day after the date of receipt by the Issuing and Paying Agent of this notice (or if the Issuing and Paying Agent receives this notice after 10:00 a.m. New York time on a Business Day, the 15th calendar after the day after receipt by the Issuing and Paying Agent of this notice), and (b) the date on which the Drawing resulting from the delivery of this notice is honored by us. The Final Drawing under the Letter of Credit shall not provide for the payment of Notes that are issued after receipt by the Issuing and Paying Agent of this notice or a No-Issuance Notice (or, subject to paragraph 2 above and paragraph 2 of any No-Issuance Notice, Notes that are issued on or after the Business Day after receipt by the Issuing and Payment Agent of this notice or a No-Issuance Notice).

[ ]

By_____
Name:_____
Title: _____

cc: Port of Oakland
530 Water Street
Oakland, California 94607
Attention: Chief Financial Officer
Telephone: [( ) -]
Telecopy: [( ) -] and

Attention: Port Attorney
Telephone: [( ) -]
Telecopy: [( ) -]

APPENDIX II
FORM OF BANK NOTE

PORT OF OAKLAND, CALIFORNIA
BANK NOTE
SERIES [ ], SERIES [ ] AND SERIES [ ]
[ ]

CUSIP No: [_____]

Dated Date: June [ ], 2019

Registered Owner: [ ]

Stated Amount: [ ] ($[ ])

The Board of Port Commissioners of the City of Oakland, California, a board duly organized and existing under and pursuant to the Charter of the City of Oakland, California and the laws of the State of California (hereinafter called the "Board"), for value received, hereby promises to pay to [ ] or its permitted successors and assigns (the "Bank" or the "registered owner"), the lesser of the Stated Amount hereinabove stated, together with accrued and unpaid interest thereon, or the amount of all accrued and unpaid Reimbursement Obligations (as defined in the Reimbursement Agreement, as hereinafter defined) under the Reimbursement Agreement (as hereinafter defined), on the dates and at the rates provided in that certain Reimbursement Agreement dated as of [ ] (as the same may be amended or modified, the "Reimbursement Agreement"), between the Board and the Bank, in immediately available funds in lawful currency of the United States of America. Interest on this Bank Note shall be calculated on the basis of a 365 or 366 day year, as applicable, and the actual days elapsed.

Annexed hereto as Exhibit A and made a part hereof is a grid (the "Grid") on which the Bank may indicate all Reimbursement Obligations outstanding from time to time under the Reimbursement Agreement and all payments and prepayments paid from time to time under and in accordance with the terms and provisions of the Reimbursement Agreement. The Bank may, but shall not be required to, complete the Grid to reflect the making and status of Drawings, Unpaid Drawings, Advances, and Term Loans provided that the failure to make or any error in making any such endorsement on the Grid shall not limit, extinguish or in any way modify the obligation of the Board to pay the Reimbursement Obligations. In any legal action or proceeding in respect of this Bank Note, the entries made in such accounts shall be prima facie evidence of the existence and the amounts of the obligations of the Board recorded therein.

This Bank Note has been duly authorized by the Board and is issued pursuant to the provisions of Article VII of the Charter of the City of Oakland, California (hereinafter called the "Act"), resolutions of the Board, adopted [ ], and a Trust Indenture

dated as of [ ] (the "Indenture") by and between the Board and U.S. Bank National Association (as successor-in-interest to U.S. Bank Trust National Association), as Trustee (the "Trustee"), providing for the issuance of Notes and Bank Notes, and the execution, delivery and performance of the Reimbursement Agreement.

Reference is hereby made to the Reimbursement Agreement, the Indenture and the Act for a description of the provisions with regard to the nature and extent of the Available Pledged Revenues (as defined in the Indenture), and the rights of the registered owners of the Bank Note; and all the terms of the Reimbursement Agreement, the Indenture and the Act are hereby incorporated herein and made a contract between the Board and the registered owner from time to time of this Bank Note, and to all the provisions thereof the registered owner of this Bank Note, by its acceptance hereof, consents and agrees. Additional obligations may be issued by the Board on a parity with this Bank Note.

This Bank Note, including the interest hereon, together with all other Bank Notes, and the interest thereon, issued under the Indenture (and to the extent set forth in the Indenture), is payable from, and is secured by a pledge of and lien on, the Available Pledged Revenues derived by the Board from the Port (as those terms are defined in the Indenture).

This Bank Note is a special, limited obligation of the Board, shall be payable as to both principal and interest from, and shall be secured by a pledge of, lien on and security interest in all Available Pledged Revenues and all amounts in the funds and accounts created pursuant to the Indenture (except the Rebate Funds (as such term is defined in the Indenture)), including earnings on such amounts, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, which pledge, lien and security interest shall be junior and subordinate, first, to the pledge of Pledged Revenues (as defined in the Senior Lien Indenture) and the lien created thereon by the Senior Lien Indenture in favor of the Senior Lien Bonds, second, to the pledge of Pledged Revenues (as defined in the Senior Lien Indenture) and the lien created thereon by the DBW Loans in favor of the Board's repayment obligations thereunder and third, to the pledge of Pledged Revenues (as defined in the Senior Lien Indenture) and the lien created thereon by the Intermediate Lien Indenture in favor of the Intermediate Lien Bonds. Neither the faith and the credit nor the taxing power of the City of Oakland, the State of California, or any public agency, other than the Board to the extent of the Available Pledged Revenues, is pledged to the payment of the principal of, or interest on, this Bank Note. The Board has no power of taxation.

The Board, the Trustee and the Issuing and Paying Agent (as defined in the Indenture) may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Board, the Trustee and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bank Note, and in the issuing of this Bank Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, the Charter of the City of Oakland, California, and the Reimbursement Agreement.

This Bank Note is a valid and binding obligation of the Board.

To the extent set forth in Section 7.2(a) of the Reimbursement Agreement, the Board waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices and demands whatsoever.

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

IN WITNESS WHEREOF, the Board of Port Commissioners of the City of Oakland, California has caused this Bank Note to be executed in its name and on its behalf by its President and attested by its Secretary, and the seal of said Board to be imprinted or reproduced by facsimile hereon, and this Bank Note to be dated as of the [ ] day of [ ], 2019.

BOARD OF PORT COMMISSIONERS OF THE
CITY OF OAKLAND, CALIFORNIA

By: Cestra Butner
President

[SEAL]

Attested:

_____
Secretary of the Board

CERTIFICATE OF AUTHENTICATION

This is one of the Bank Notes described in the within-mentioned Indenture and registered this [ ] day of [ ], 2019.

U.S. Bank National Association, as Issuing and Paying Agent

By_____
Authorized Signatory

EXHIBIT A

BANK NOTE GRID

DRAWINGS, ADVANCES AND TERM LOANS
AND PAYMENTS OF PRINCIPAL AND INTEREST

Date	Drawing, Unpaid Drawing, Advance or Term Loan	Amount of Drawing, Unpaid Drawing, Advance or Term Loan	Principal Amount of Unpaid Drawings, Advances or Term Loans Repaid	Amount of Interest on Unpaid Drawings, Advances or Term Loans Repaid	Aggregate Balance regarding Unpaid Drawings, Advances and Term Loans	Notation Made By

Note: Additional pages of this Bank Note and Grid may be attached to the Bank Note as may be necessary to record certain information regarding each Drawing, Unpaid Drawing, Advance or Term Loan.

APPENDIX III
CERTIFICATE OF BANK

CERTIFICATE OF
[_____] BANK

The undersigned, an authorized officer of [__] Bank (the "Bank"), hereby certifies that:

i. The information concerning the Bank set forth in the Offering Memorandum dated [_____], for the Port of Oakland, California Commercial Paper Notes, Series A, B, C, D, E and F under the subheading "[_____] Bank" under the heading "THE LETTERS OF CREDIT BANKS," is true and accurate in all material respects; and

ii. As of the date thereof there has been no material decrease in the consolidated stockholder's equity of the Bank since [_____].

[SIGNATURE PAGE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, I have hereto set my hand and delivered this Certificate this [__] day of [___].

[ ] Bank

By:_____
Name:_____
Title: _____

TRUST INDENTURE

By and Between

THE BOARD OF PORT COMMISSIONERS

OF THE

CITY OF OAKLAND, CALIFORNIA

and

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Trustee

Dated as of October 1, 1998

RELATING TO
PORT OF OAKLAND, CALIFORNIA
COMMERCIAL PAPER NOTES

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of October 1, 1998, is between the Board of Port Commissioners of the City of Oakland, California (the "Board"), which Board has pursuant to Article VII of the Charter of the City of Oakland (the "Charter") been granted exclusive control and management of the department of the City of Oakland, California known as the Port Department (the "Port") and U.S. Bank Trust National Association, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

WHEREAS, the City of Oakland, State of California, (the "City") is a chartered city duly organized and existing under and pursuant to the provisions of the Constitution of the State of California (the "State") and its Charter; and

WHEREAS, the Board has exclusive control and management, supervision and jurisdiction of the Port Department of the City, the Port of Oakland and the Port Area of the City, and has complete and exclusive power to act for and on behalf of the City with respect to the Port, Port of Oakland and Port Area, all as provided for and defined in Article VII of the Charter; and

WHEREAS, Section 706(24) of the Charter provides that the Board may finance Port facilities through the issuance of bonds or other forms of debt instruments which are secured by a pledge of, or are payable from, all or any part of the revenues of the Port and/or which may be secured in whole or in part by interests, liens or other forms of encumbrance (other than in or on fee title in land) or leases in property; and

WHEREAS, the Board has determined that it is necessary and advisable to issue commercial paper from time to time and that such commercial paper be payable from and secured by Available Pledged Revenues (defined below); and

WHEREAS, the Board wishes to provide in this Indenture for the issuance and payment of its commercial paper and the pledge of Available Pledged Revenues thereto, and the Trustee is willing to accept the trusts provided in this Indenture; and

NOW, THEREFORE, the Board and the Trustee agree as follows each for the benefit of the other and/or the benefit of holders of the commercial paper secured by this Indenture:

ARTICLE I

DEFINITIONS; GENERAL AUTHORIZATION; AND RATIFICATION

Section 1.01. Definitions. The following definitions shall, for all purposes of this Indenture and supplemental hereto, have the meanings herein specified unless the context clearly requires otherwise:

"Act" shall mean Article VII of the Charter, as amended from time to time, or any other article or section of the Charter in which the provisions relating to the Board and the Port may hereafter be set forth.

"Administrative Agent" means Commerzbank Aktiengesellschaft, acting through its Los Angeles Branch, as administrative agent for the Banks with respect to the initial Letter of Credit, and any successor administrative agent.

"Advances" means payments made by the Bank as a result of draws made on the Letter of Credit to pay principal of and interest on the Commercial Paper Notes.

"Authenticating Agent" means, with respect to any Series, each person or entity, if any, designated by the Board herein or in any Supplemental Indenture to manually sign the certificate of authentication on the Commercial Paper Notes, and its successors and assigns and any other person or entity which may at any time be substituted for it pursuant hereto. Initially, the Authenticating Agent shall be the Issuing and Paying Agent.

"Authorized Amount" means, the lesser of (i) $300,000,000 or (ii) the Principal Component (as defined in the Letter of Credit) then available under the Letter of Credit.

"Authorized Board Representative" shall mean the Executive Director, Deputy Executive Director, Chief Financial Officer of the Board or such other officer or employee of the Board or other person, which other officer, employee or person has been designated by the Board as an Authorized Board Representative by written notice delivered by the Executive Director, Deputy Executive Director or the Chief Financial Officer to the Trustee and Issuing and Paying Agent.

"Available Moneys" means moneys which are continuously on deposit with the Trustee or the Issuing and Paying Agent in trust for the benefit of the holders of the Commercial Paper Notes in a separate and segregated account in which only Available Moneys are held, which moneys constitute proceeds of (i) the Commercial Paper Notes received contemporaneously with the initial issuance and sale of the Commercial Paper Notes, (ii) a drawing under the Letter of Credit or payments otherwise made under a substitute Letter of Credit, (iii) refunding obligations or other funds for which the Trustee has received a written opinion of nationally recognized

counsel experienced in bankruptcy matters and acceptable to an Authorized Board Representative and the Rating Agencies to the effect that payment of such moneys to the holders of the Commercial Paper Notes would not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code if the Board were to become a debtor under the United States Bankruptcy Code or (iv) the investment of funds qualifying as Available Moneys under the foregoing clauses.

"Available Pledged Revenues" means "Pledged Revenues" as defined in the Senior Lien Indenture after payment therefrom first of all amounts required to be paid and then due and payable under the Senior Lien Indenture for principal, interest, reserve fund and any other debt service requirements or related obligations on the Senior Lien Bonds and second any debt service requirements then due and payable on the DBW Loans and all amounts required to be paid and then due and payable under any Subordinate Revenue Bonds Indenture for principal, interest, reserve fund and any other debt service requirements or related obligations on any Subordinate Revenue Bonds.

"Bank" means Commerzbank Aktiengesellschaft, acting through its Los Angeles Branch or The Bank of Nova Scotia, acting through its New York Agency, which are issuing the initial Letter of Credit on a several basis, or any other entity that is the issuer of a Letter of Credit then outstanding and effective hereunder. "Banks" means collectively all of the Banks that are issuers of Letters of Credit then outstanding at any one time.

"Bank Note" means a note or notes issued by the Board pursuant to Section 5.01 hereof and evidencing all or any portion of any unreimbursed Advances made by a Bank and designated as "Port of Oakland, California Bank Notes (insert name of Bank)."

"Bank Note Account" means the Bank Note Debt Service Account established pursuant to Section 4.01(b)(3).

"Bank Note Payment Date" means a date on which principal of or interest on a Bank Note is due and payable, including both scheduled principal and interest and principal and interest payable upon prepayment of a Bank Note.

"Bank Rate" shall have the meaning assigned to that term in the Reimbursement Agreement.

"Board" shall mean the Board of Port Commissioners of the City of Oakland, California created under the provisions of the Act and any successor to its function.

"Bond Counsel" means an attorney or firm or firms of attorneys of national recognition selected or employed by the Board with knowledge and experience in the field of municipal finance.

"Business Day" means any day other than (i) a Saturday, Sunday or other day on which

commercial banks in New York, New York, San Francisco, California or the city in which is located the office of either Bank at which demands for a draw on the Letter of Credit will be made, are authorized or required by law to close or (ii) a day on which the New York Stock Exchange is closed.

"Charter" shall mean the Charter of the City as amended from time to time.

"City" means the City of Oakland, California.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable United States Treasury Regulations proposed or in effect with respect thereto.

"Commercial Paper Bank Payment Account" or "Bank Payment Account" means the account by that name established pursuant to Section 4.01(b)(2).

"Commercial Paper Debt Service Account" or "Debt Service Account" means the account by that name established pursuant to Section 4.01(b)(1).

"Commercial Paper Notes" or "Notes" means notes of the Board with a maturity of not more than 270 days from the date of issuance and which are authorized to be issued and reissued from time to time under Article II of this Indenture and any Supplemental Indenture, including, without limitation, Commercial Paper Notes issued as Series A Notes, Series B Notes and Series C Notes.

"Construction Fund" means the fund by that name established pursuant to Section 4.01(a).

"Costs of Issuance" means all reasonable costs incurred by the Board in connection with the issuance of a Series, including, but not limited to:

(a) counsel fees related to the issuance of such Series (including bond counsel, Trustee's counsel and the Port Attorney);

(b) financial advisor fees incurred in connection with the issuance of such Series;

(c) rating agency fees;

(d) the initial fees and expenses of the Trustee and the Issuing and Paying Agent;

(e) accountant fees related to the issuance of such Series;

(f) printing and publication costs; and

(g) any other fee or cost incurred in connection with the issuance of such Series that constitutes an "issuance cost" within the meaning of Section 147(g) of the Code.

"DBW Loans" means loan agreements by and between the Board and the California Department of Boating and Waterways and any other evidences of indebtedness of the Board in favor of the California Department of Boating and Waterways, whether now or hereafter in effect, providing the terms and conditions for the incurrence of indebtedness secured in whole or in part by Pledged Revenues and subordinate to the lien on and security interest granted in the Pledged Revenues pursuant to the Senior Lien Indenture, as the same may be amended and supplemented from time to time.

"Dealer" means Goldman, Sachs & Co. for so long as it is acting as a dealer for the Board with respect to the Notes, or any successor Dealer appointed pursuant to the Dealer Agreement, as approved by the Board.

"Dealer Agreement" means the Dealer Agreement dated as of October 1, 1998, by and between the Board and the Dealer, as amended and supplemented from time to time, and any such agreement with any successor Dealer.

"Debt Service Fund" means the fund by that name established pursuant to Section 4.01(b).

"Designated Representative" means the Executive Director, Deputy Executive Director, Chief Financial Officer of the Board and those additional individuals authorized pursuant to a resolution of the Board to complete and deliver Issuance Requests and who have been identified and whose signatures have been certified in a certificate of an Authorized Board Representative delivered to the Issuing and Paying Agent.

"DTC" means The Depository Trust Company, as Note Depository for one or more Series of Commercial Paper Notes, and its successors and assigns.

"Event of Default" means any one or more of those events set forth in Section 9.01 hereof, which Event of Default has not been cured.

"Expiration Date" means the date of expiration of the Letter of Credit then in effect.

"Fiscal Year" shall mean the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year, or such other similar period as the Board designates as its fiscal year.

"Fitch" means Fitch IBCA, Inc., organized and existing under the laws of the State of Delaware, and its successors and assigns, or if such organization no longer maintains a rating

on the Senior Lien Bonds or the Notes, as applicable, any other rating agency designated by the Board.

"Government Obligations" shall mean (1) United States Obligations (including obligations issued or held in book-entry form) and (2) Prerefunded municipal obligations meeting the following conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the trustee has been given irrevocable instructions concerning their calling and redemption and the issuer has covenanted not to redeem such obligations other than as set forth in such instructions; (b) the municipal obligations are secured by cash and/or United States Obligations, which United States Obligations may be applied only to interest, principal and premium payments of such municipal obligations; (c) the principal of and interest on the United States Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations; (d) the United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee; (e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and (f) the municipal obligations are rated in their highest rating category by Moody's and by S&P if S&P then maintains a rating on such obligations.

"Indenture" means this Trust Indenture dated as of October 1, 1998 between the Board and the Trustee.

"Insolvent" shall be used to describe the Trustee, the Issuing and Paying Agent, or other agent appointed hereunder or any Bank, if (a) such person shall have instituted proceedings to be adjudicated a bankrupt or insolvent, shall have consented to the institution of bankruptcy or insolvency proceedings against it, shall have filed a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other similar applicable Federal or state law, or shall have consented to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator or other similar official of itself or of any substantial part of its property, or shall fail to timely controvert an involuntary petition filed against it under the Federal Bankruptcy Code, or shall consent to the entry of an order for relief under the Federal Bankruptcy Code or shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due; or (b) a decree or order by a court having jurisdiction in the premises adjudging such person as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of such person under the Federal Bankruptcy Code or any other similar applicable Federal or state law or for relief under the Federal Bankruptcy Code after an involuntary petition has been filed against such person, or appointing a receiver, liquidator, assignee, trustee or sequestrator or other similar official of such person or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, shall have been entered and shall have continued unabated and in effect for a period of 90 consecutive days.

"Interest Advances" means Advances drawn and used to pay interest on Commercial Paper Notes.

"Interest Component" shall have the meaning assigned thereto in the Letter of Credit.

"Investment Agreement" shall mean an investment agreement or guaranteed investment contract with entities which maintain the following credit and collateral requirements: (a) if a corporation, they are initially rated "Aaa" by Moody's and "AAA" by S&P, if a domestic bank, they are initially rated Thomson "B/C" or better, and if a foreign bank, they are initially rated Thomson "B" or better, (b) if credit quality reaches Moody's "Aa3" or S&P "AA" for corporations, Thomson "B/C" for domestic banks, and Thomson "B" for foreign banks, provider (1) will respond with adequate collateralization within ten (10) business days, (2) will value assets weekly, and (3) will present collateral at 102% on Government Obligations and 105% on obligations described in item (2) of the definition of Permitted Investments; (c) provider must maintain minimum credit quality of Moody's "A2" or S&P "A" for corporations, Thomson "C" for domestic banks, or Thomson "B/C" for foreign banks; (d) investment agreement will be terminated if credit ratings reach Moody's "A3" or S&P "A-" for corporations, Thomson "C/D" for domestic banks and Thomson "C" for foreign banks.

"Issuance Request" means a request made by the Board, acting through a Designated Representative, to the Issuing and Paying Agent for the delivery of a Commercial Paper Note or Commercial Paper Notes.

"Issuing and Paying Agent" means U.S. Bank Trust National Association, or any successor or assigns permitted under the Issuing and Paying Agent Agreement or any other Issuing and Paying Agent which is appointed by the Board and has entered into an Issuing and Paying Agent Agreement.

"Issuing and Paying Agent Agreement" means the Issuing and Paying Agent Agreement, dated as of October 1, 1998, between the Board and the Issuing and Paying Agent, and any and all modifications, alterations, amendments and supplements thereto, or any other Issuing and Paying Agent Agreement entered into by the Board and the Issuing and Paying Agent with respect to the Commercial Paper Notes.

"Letter of Credit" means the direct pay Irrevocable Letter of Credit issued by the Banks to the Issuing and Paying Agent on or prior to the date of issuance of the first Commercial Paper Note and any substitute letter of credit accepted by the Issuing and Paying Agent as provided in Section 10.01 hereof.

"Maximum Rate" means twelve percent (12%) per annum.

"Moody's" means Moody's Investors Service, a corporation existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Moody's" means any other nationally recognized rating agency designated by the Board.

"No-Issuance Notice" shall have the meaning assigned thereto in the Reimbursement Agreement.

"Nominee" means the nominee of the Note Depository as determined from time to time in accordance with this Indenture or any other Supplemental Indenture for any one or more Series of Commercial Paper Notes.

"Note Depository" means the securities depository for a Series of Commercial Paper Notes appointed as such pursuant to Section 2.05, and its successors and assigns.

"Noteholder," "holder," "owner," or "registered owner" means the person in whose name any Note or Notes are registered on the books maintained by the Registrar or Trustee.

"Note Proceeds" means proceeds of the sale of the Commercial Paper Notes or any moneys, securities or other obligations that may be deemed to be proceeds of the Commercial Paper Notes within the meaning of the Code.

"Outstanding" when used with respect to Notes shall mean all Notes which have been authenticated and delivered under this Indenture, except:

(a) Notes cancelled or purchased by the Issuing and Paying Agent for cancellation or delivered to or acquired by the Issuing and Paying Agent for cancellation and, in all cases, with the intent to extinguish the debt represented thereby;

(b) Notes in lieu of which other Notes have been authenticated under Section 2.07, 2.08 or 2.09;

(c) Notes that have become due (at maturity or on redemption, acceleration or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held by the Issuing and Paying Agent or Trustee;

(d) Notes which, under the terms of this Indenture, are deemed to be no longer Outstanding; and

(e) for purposes of any consent or other action to be taken by the holders of a specified percentage of Notes under this Indenture, Notes held by or for the account of the Board or by any person controlling, controlled by or under common control with the Board.

"Parity Notes" means any evidences of indebtedness of the Board issued or incurred and at any time outstanding pursuant to this Indenture or any Supplemental Indenture on a parity with the Notes and Bank Notes.

"Permitted Investments" shall mean any of the following:

(1) Government Obligations;

(2) Obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following instrumentalities or agencies of the United States of America: Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Financing Bank; Government National Mortgage Association; Federal National Mortgage Association; Student Loan Marketing Association; Federal Farm Credit Bureau; Farmers Home Administration; Federal Home Loan Mortgage Corporation; and Federal Housing Administration.

(3) Direct and general long-term obligations of any state, which obligations are rated in either of the two highest rating categories by Moody's and by S&P if S&P then maintains a rating on such obligations;

(4) Direct and general short-term obligations of any state which obligations are rated in the highest rating category by Moody's and by S&P if S&P then maintains a rating on such obligations;

(5) Interest-bearing demand or time deposits (including certificates of deposit) or interests in money market portfolios issued by state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation ("FDIC"), which deposits or interests must either be (a) continuously and fully insured by FDIC and with banks that are rated at least "P-1" or "Aa" by Moody's and at least "A-1" or "AA" by S&P if such banks are then rated by S&P or (b) fully secured by United States Obligations (i) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at least equal to the principal amount of the deposits or interests, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or depositary acceptable to the Trustee, (iii) subject to a perfected first lien in the Trustee, and (iv) free and clear from all third-party liens;

(6) Long-term or medium-term corporate debt guaranteed by any corporation that is rated by both Moody's and S&P in either of their two highest rating categories;

(7) Repurchase agreements which are (a) entered into with banks or trust companies organized under state law, national banking associations, insurance companies or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and which either are members of the Security Investors Protection Corporation or with a dealer or parent holding company that has an investment grade rating from Moody's and from S&P if S&P then maintains a rating on such institution and (b) fully secured by investments specified in Section (1) or (2) of this definition of Permitted Investments (i) which are valued not less frequently

than monthly and have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien in the Trustee and (iv) free and clear from all third-party liens;

(8) Prime commercial paper of a United States corporation, finance company or banking institution rated at least "P-1" by Moody's and at least "A-1" by S&P if S&P then maintains a rating on such paper;

(9) Shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940, as amended) or shares in a regulated investment company (as defined in Section 851(a) of the Code) that is (a) a money market fund that has been rated in one of the two highest rating categories by Moody's or S&P or (b) a money market fund or account of the Trustee or any state or federal bank that is rated at least "P-1" or "Aa" by Moody's if Moody's then maintains a rating on such bank and at least "A-1" or "AA" by S&P if S&P then maintains a rating on such bank or whose one bank holding company parent is rated at least "P-1" or "Aa" by Moody's if Moody's then maintains a rating on such holding company and "A-1" or "AA" by S&P if S&P then maintains a rating on such holding company or that has a combined capital and surplus of not less than $50,000,000;

(10) Investment Agreements; and

(11) Any other type of investment in which the Board directs the Trustee to invest provided that there is delivered to the Trustee a certificate of an Authorized Board Representative stating that each of the Rating Agencies then maintaining a rating on the Series has been informed of the proposal to invest in such investment and each of such Rating Agencies has confirmed that such investment will not adversely affect the rating then assigned by such Rating Agency to any Series.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Port" or "Port of Oakland" means all facilities and property, real or personal, wherever located, under the jurisdiction or control of the Board or in which the Board has other rights or from which the Board derives revenues.

"Port Attorney" shall mean legal counsel to the Board and staff of the Port who otherwise acts as provided for in Section 706(20) of the Act.

"Port Revenue Fund" means that fund created by and existing pursuant to Section 717(3) of the Charter or any successor provision.

"Principal Advances" means Advances drawn and used to pay principal on Commercial Paper Notes.

"Principal Office" means the principal office of the Issuing and Paying Agent, for purposes of performing its duties under this Indenture, designated in writing to an Authorized Board Representative.

"Project" means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Board, as from time to time amended, as being financed in whole or in part with the proceeds of the Notes and which is acquired, constructed, reconstructed, improved, expanded, or otherwise financed or refinanced, with proceeds of the sale of the Notes.

"Rating Agency" means, so long as it is rating a Series, (i) Moody's, (ii) Standard & Poor's, (iii) Fitch or (iv) any other nationally recognized credit rating agency specified in a Supplemental Indenture.

"Rebate Fund" shall mean any fund required to be maintained by the Board pursuant to a Tax Certificate in connection with the issuance of the Notes or any Series of Notes for the purpose of complying with the Code and providing for the collection and holding for and payment of amounts to the United States of America.

"Registrar" means, with respect to any Series, each person or entity, if any, designated by the Board herein or in any Supplemental Indenture to keep a register of any Series and of their transfer and exchange, and its successors and assigns and any other person or entity which may at any time be substituted for it pursuant hereto.

"Reimbursement Agreement" means the Letter of Credit and Reimbursement Agreement, dated as of October 1, 1998, by and among the Board and the Banks, and any and all modifications, alterations, amendments and supplements thereto and any similar document entered into with respect to a subsequent Letter of Credit.

"Representation Letter" means the Blanket Issuer Letter of Representations from the Board and the Issuing and Paying Agent to DTC with respect to a Series.

"Responsible Officer" means an officer or assistant officer of the Trustee assigned by the Trustee to administer this Indenture.

"Senior Lien Bonds" means any "Bond" issued or incurred pursuant to Article II of the Senior Lien Indenture.

"Senior Lien Indenture" means the Trust Indenture dated as of April 1, 1989 between the Board and U.S. Bank Trust National Association, formerly known as First Trust of California,

National Association, together with all outstanding supplemental indentures thereto, as the same may be amended and further supplemented from time to time.

"Series" means a series of Commercial Paper Notes issued pursuant to this Indenture (i.e., Series A Notes, Series B Notes or Series C Notes) in an aggregate amount up to the full Authorized Amount regardless of when or whether issued, unless portions thereof are, by Supplemental Indenture, designated as separate Series.

"Series A Notes" means the "Port of Oakland, California Commercial Paper Notes, Series A (AMT)," issued under this Indenture.

"Series A Project" means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Board as being financed or refinanced in whole or in part with the proceeds of Series A Notes and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed or refinanced with proceeds of the sale of Series A Notes.

"Series B Notes" means the "Port of Oakland, California Commercial Paper Notes, Series B (Non-AMT)," issued under this Indenture.

"Series B Project" means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Board being financed or refinanced in whole or in part with the proceeds of the Series B Notes and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed or refinanced with proceeds of the sale of Series B Notes.

"Series C Notes" means the "Port of Oakland, California Commercial Paper Notes, Series C (Taxable)," issued under this Indenture.

"Series C Project" means any undertaking, facility or item, other than any undertaking facility or item which is listed or otherwise described in a Tax Certificate of the Board, being financed or refinanced in whole or in part with the proceeds of the Series C Notes and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed or refinanced with proceeds of the sale of Series C Notes.

"Standard & Poor's" or "S & P" means Standard & Poor's, A Division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns and, if such corporation shall no longer perform the functions of a securities rating agency, "Standard & Poor's" or "S & P" shall mean any other nationally recognized securities rating agency designated by the Board.

"State" means the State of California.

"Stated Amount" means the Stated Amount as defined in the Letter of Credit.

"Subordinate Revenue Bonds" means any bond or other indebtedness of the Board hereafter issued or incurred, and secured in whole or in part by Pledged Revenues, pursuant to a Subordinate Revenue Bonds Indenture. In connection with any Subordinate Revenue Bonds with respect to which an interest rate swap is in effect or proposes to be in effect, the term "Subordinate Revenue Bonds" may include, collectively, both such Subordinate Revenue Bonds and either such interest rate swap or the obligations of the Board under such interest rate swap, as the context requires.

"Subordinate Revenue Bonds Indenture" means any indenture or agreement of the Board, whether now or hereafter in effect, providing the terms and conditions for the issuance or incurrence of indebtedness secured in whole or in part by Pledged Revenues and subordinate to the lien on and security interest granted in the Pledged Revenues pursuant to the Senior Lien Indenture but which is stated by its terms to be superior in right to payment of the Commercial Paper Notes, as the same may be amended and further supplemented from time to time.

"Supplemental Indenture" means any document supplementing or amending this Indenture or providing for the issuance of a Series of Notes and entered into as provided in Article XI of this Indenture.

"Tax Certificate" means a certificate, as amended from time to time, executed and delivered on behalf of the Board by a Designated Representative on the date upon which a Series is initially issued and delivered, or any functionally equivalent certificate subsequently executed and delivered on behalf of the Board by a Designated Representative with respect to the requirements of Section 148 (or any successor section) of the Code relating to a Series.

"Termination Date" means the sixteenth day prior to the Expiration Date.

"Total Commitment" means the original Stated Amount of the Letter of Credit without giving effect to any reductions on account of drawings thereunder.

"Trustee" shall mean the entity named as such in the heading of this Indenture until a successor replaces it and, thereafter, means such successor.

"United States Obligations" shall mean direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including, with respect only to direct and general obligations and not to guaranteed obligations, evidences of ownership of proportionate interests in future interest and/or principal payments of such obligations, provided that investments in such proportionate interests must be limited to circumstances wherein (1) a bank or trust company acts as custodian and holds the underlying United States Obligations; (2) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; and (3) the underlying United States Obligations are held in a special account separate from the custodian's general assets and are not available to satisfy

any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated.

Section 1.02. General Authorization. The appropriate officers, agents and employees of the Board are each hereby authorized and directed for and in the name and on behalf of the Board to take all actions and to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of one or more Series of Commercial Paper Notes or Bank Notes in accordance with the provisions hereof.

Section 1.03. Interpretation. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE COMMERCIAL PAPER NOTES

Section 2.01. Authorized Amount of Commercial Paper Notes; Terms and Description of Commercial Paper Notes.

(a) No Commercial Paper Notes may be issued under the provisions of this Indenture except in accordance with this Article.

(b) The Board hereby authorizes the issuance of its Notes to be designated "Port of Oakland, California Commercial Paper Notes, Series A" (AMT) and "Port of Oakland, California Commercial Paper Notes, Series B" (Non-AMT) and "Port of Oakland, California Commercial Paper Notes, Series C" (Taxable) subject to the provisions of this Section 2.01 and as hereinafter provided. The Series A Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series A Projects, the Series B Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series B Projects and the Series C Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series C Projects. Proceeds of Commercial Paper Notes issued to refinance other Commercial Paper Notes may be used to pay or to reimburse the Banks for Advances used to pay principal or interest due on such maturing Commercial Paper Notes, *provided, however,* that proceeds of Series A Notes may only be used to pay or to reimburse a Bank for Advances used to pay principal or interest due on Series A Notes, proceeds of Series B Notes may only be used to pay or to reimburse a Bank for Advances used to pay principal or interest due on Series B Notes, and proceeds of Series C Notes may only be used to pay or to reimburse a Bank for Advances used to pay principal or interest due on Series C Notes. Such authorization specifically includes the authorization to issue and reissue Commercial Paper Notes for such purposes. The aggregate principal amount of Commercial Paper Notes that may be Outstanding

at any one time hereunder shall not at any time exceed the Authorized Amount. At no time shall the aggregate amount of interest payable on the Outstanding Commercial Paper Notes exceed the Interest Component then available under the Letter of Credit.

(c) The Commercial Paper Notes shall be dated the date of their respective authentication and issuance; shall be issued in bearer or registered form, as shall be determined by the Designated Representative, shall be issued in denominations of $100,000 and in integral multiples of $5,000 in excess thereof. Commercial Paper Notes shall bear interest from their respective dated dates, payable on their respective maturity dates.

(d) The Commercial Paper Notes (i) shall bear interest payable at maturity at an annual rate (calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed), which shall not in any event exceed the Maximum Rate, (ii) shall mature on a Business Day not more than 270 days after their respective dated dates, but in no event later than the Termination Date, and (iii) shall be sold by the Dealer pursuant to a Dealer Agreement at a price of not less than 100% of the principal amount thereof. The stated interest rate, maturity date and other terms of each Commercial Paper Note, so long as not inconsistent with the terms of this Indenture, shall be as set forth in the Issuance Request required by Section 2.06 hereof directing the issuance of such Commercial Paper Note.

(e) The Commercial Paper Notes shall not be subject to redemption prior to maturity.

(f) The Series A Notes, the Series B Notes and the Series C Notes shall be numbered in such manner as the Issuing and Paying Agent may deem appropriate.

(g) Commercial Paper Notes which are issued to finance or refinance Series A Projects shall be designated as Series A Notes. Commercial Paper Notes which are issued to finance or refinance Series B Projects shall be designated as Series B Notes. Commercial Paper Notes which are issued to finance or refinance Series C Projects shall be designated as Series C Notes. Successive tranches of each Series shall be designated as the related Series designation followed by "___-1," "___-2," "___-3," etc.

Section 2.02. Payment. The Board covenants to duly and punctually pay or cause to be paid from Available Pledged Revenues, the principal of and interest on each and every Commercial Paper Note when due. To the extent Advances made by the Banks for the purpose of paying principal of and interest on maturing Commercial Paper Notes, together with Note Proceeds from Commercial Paper Notes issued on such date, are insufficient to pay principal of and interest on maturing Commercial Paper Notes, the Board will make all payments of interest and principal directly to the Issuing and Paying Agent in immediately available funds on or prior to 4:15 p.m., New York City time, on the date payment is due on any Commercial Paper Note. To the extent principal of and/or interest on Commercial Paper Notes is paid with an Advance, the Issuing and Paying Agent is authorized and directed to use amounts paid by the Board to reimburse the Banks. The principal of and the interest on the Commercial Paper Notes shall be paid in Federal or other immediately available funds in such coin or currency of the

United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal of and the interest on the Commercial Paper Notes shall be payable at the Principal Office of the Issuing and Paying Agent on or before the close of business on any Business Day upon which such Commercial Paper Notes have become due and payable provided that such Commercial Paper Notes are presented and surrendered on a timely basis. Upon presentation of such a Commercial Paper Note to the Issuing and Paying Agent no later than 3:00 p.m. (New York City time) on a Business Day, payment for such Commercial Paper Note shall be made by the Issuing and Paying Agent in immediately available funds on such Business Day. If a Commercial Paper Note is presented for payment after 3:00 p.m. (New York City time) on a Business Day, payment therefor may be made by the Issuing and Paying Agent on the next succeeding Business Day without the accrual of additional interest thereon.

Notwithstanding the provisions of the previous paragraph, in the event the Notes are issued as a master note or master notes in book-entry form, they shall be payable at maturity without physical presentation or surrender in accordance with the procedures of the Note Depository.

Section 2.03. Execution and Authentication of Commercial Paper Notes. The Notes, in certificated form, will be signed for the Board as provided in the resolution authorizing such Notes. In case any officer whose signature or whose facsimile signature shall appear on any Notes shall cease to be such officer before the authentication of such Notes, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until authentication. Also, if a person signing a Note is the proper officer on the actual date of execution, the Note will be valid even if that person is not the proper officer on the nominal date of action and even though, at the date of this Indenture, such person was not such officer.

The Issuing and Paying Agent is, by this Indenture, designated by the Board as the Authenticating Agent and Registrar for the Commercial Paper Notes in accordance with the terms of Section 7.01 hereof. Notwithstanding anything herein to the contrary, the Issuing and Paying Agent shall not authenticate Commercial Paper Notes which mature later than the Termination Date, and the Issuing and Paying Agent shall not authenticate Commercial Paper Notes if an Event of Default then exists of which it has actual knowledge or the Issuing and Paying Agent has received a No-Issuance Notice.

If any Commercial Paper Notes are to be issued in bearer form, the Board shall from time to time furnish the Issuing and Paying Agent with an adequate supply of Commercial Paper Notes, each of which shall have attached such number of carbon copies as the Issuing and Paying Agent shall reasonably specify. When any Commercial Paper Notes are delivered to the Issuing and Paying Agent by the Board, the Issuing and Paying Agent shall execute and deliver to the Board a receipt therefor and shall hold such Commercial Paper Notes for the account of the Board in safekeeping in accordance with its customary practice.

Section 2.04. Forms of Commercial Paper Notes and Authentication Certificate. The definitive Series A Notes, Series B Notes and Series C Notes and the Certificate of Authentication endorsed thereon shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as shall be required or appropriate in order to accomplish the purposes of the transactions authorized by this Indenture.

The Commercial Paper Notes shall contain a statement to the following effect:

Neither the faith and the credit nor the taxing power of the City of Oakland, the State of California or any public agency, other than the Port of Oakland to the extent of the Available Pledged Revenues, is pledged to the payment of the principal of, or interest on, this Note. The Port of Oakland has no power of taxation.

Section 2.05. Book-Entry System. Unless an Authorized Board Representative or his designee determines that a Series of Commercial Paper Notes shall be issued in bearer form or registered form other than in book-entry form, the Commercial Paper Notes shall initially be issued in book-entry form as further provided in this Section 2.05.

(a) The Notes issued pursuant to this Indenture shall initially be issued in the form of a separate single fully-registered Note for each Series of the Commercial Paper Notes. Except as provided in subsection (c) of this Section 2.05, all of the Commercial Paper Notes shall be registered in the name of the Nominee. Notwithstanding any provision to the contrary in Section 2.06, so long as the Notes remain in the form of one or more master notes in book-entry form, the issuance of Notes pursuant to an Issuance Request against payment therefor shall not require the physical delivery of note certificates.

The Trustee, the Issuing and Paying Agent and the Board may treat the registered owner of each Note as the sole and exclusive owner thereof for the purposes of payment of the principal of or interest on the Series of Notes to which such Note belongs, giving any notice permitted or required to be given to Noteholders hereunder, registering the transfer of Notes, obtaining any consent or other action to be taken by Noteholders, and for all other purposes whatsoever, and neither the Trustee, the Issuing and Paying Agent nor the Board shall be affected by any notice to the contrary.

Neither the Trustee, the Issuing and Paying Agent nor the Board shall have any responsibility or obligation to any participant in the Note Depository (a "Participant"), any person claiming a beneficial ownership interest in the Commercial Paper Notes under or through the Note Depository or any Participant, or any other person who is not shown on the registration books as being a Noteholder, with respect to (i) the accuracy of any records maintained by the Note Depository or any Participant; (ii) the payment by the Note Depository or any Participant of any amount in respect of the principal of or interest on the Commercial Paper Notes; (iii) the delivery of any notice which is permitted or required to be given to Noteholders hereunder; (iv)

any consent given or other action taken by the Note Depository as Noteholder; or (v) any other purpose.

The Issuing and Paying Agent shall pay all principal of and interest on the Commercial Paper Notes only to or upon the order of the Note Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to the payment of the principal of and interest on the Commercial Paper Notes to the extent of the sum or sums so paid. Upon delivery by the Note Depository to the Issuing and Paying Agent of written notice to the effect that the Note Depository has determined to substitute a new Nominee in place of the current Nominee, and subject to the provisions herein with respect to record dates, the word Nominee in this Article II shall refer to such new Nominee.

(b) In order to qualify each Series of Commercial Paper Notes for the Note Depository's book-entry system, an Authorized Board Representative is hereby authorized to execute, seal, countersign and deliver on behalf of the Board to the Note Depository for each Series of Commercial Paper Notes, a Representation Letter from an Authorized Board Representative representing such matters as shall be necessary to so qualify the Commercial Paper Notes. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section 2.05 or in any other way impose upon the Board any obligation whatsoever with respect to persons having beneficial ownership interests in the Commercial Paper Notes other than the Noteholders.

(c) (1) The Note Depository may determine to discontinue providing its services with respect to a Series of Commercial Paper Notes at any time by giving reasonable written notice to an Authorized Board Representative, the Trustee and the Issuing and Paying Agent and discharging its responsibilities with respect thereto under applicable law.

(2) An Authorized Board Representative, exercising the sole discretion of the Board and without the consent of any other person, may terminate, upon provision of notice to the Note Depository, the Trustee and the Issuing and Paying Agent, the services of the Note Depository with respect to a Series of Commercial Paper Notes if the Authorized Board Representative determines, on behalf of the Board, that the continuation of the system of book-entry only transfers through the Note Depository (or a successor securities depository) is not in the best interests of the owners of a Series of Commercial Paper Notes or is burdensome to the Port, and shall terminate the services of the Note Depository with respect to a Series of Commercial Paper Notes upon receipt by the Board, the Trustee and the Issuing and Paying Agent of written notice from the Note Depository to the effect that the Note Depository has received written notice from Direct Participants (as defined in the Representation Letter) having interests, as shown in the records of the Note Depository, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then outstanding Notes to the effect, that: (i) the Note Depository is unable to discharge its responsibilities with respect to such Series of Commercial Paper Notes, or (ii) a continuation of the

requirement that all of the outstanding Notes be registered in the registration books kept by the Issuing and Paying Agent in the name of the Nominee of the Note Depository, is not in the best interest of the Noteholders of such Series of Commercial Paper Notes.

(3) Upon the termination of the services of the Note Depository with respect to a Series of Commercial Paper Notes pursuant to subsection (c)(1) or (c)(2) hereof, after which no substitute Note Depository willing to undertake the functions of the Note Depository hereunder can be found or which, in the opinion of the Board, is willing and able to undertake such functions upon reasonable and customary terms, a Series of Commercial Paper Notes shall no longer be restricted to being registered in the registration books kept by the Note Registrar in the name of the Nominee of the Note Depository. In such event, the Board shall issue and the Issuing and Paying Agent shall transfer and exchange Note certificates as requested by the Note Depository or Direct Participants of like principal amount, Series and maturity, in denominations of $100,000 and in integral multiples of $5,000 in excess thereof, to the identifiable Noteholder in replacement of such Noteholder's beneficial interests in a Series of Commercial Paper Notes.

(d) Notwithstanding any provision hereof to the contrary, so long as the Commercial Paper Notes of any Series are registered in the name of the Nominee, all payments with respect to principal of and interest on the Commercial Paper Notes of such Series and all notices with respect to the Commercial Paper Notes of such Series shall be made and given, respectively, as provided in the Representation Letter for the related Series of Notes or as otherwise instructed by the Note Depository.

(e) The initial Note Depository with respect to each Series of Commercial Paper Notes shall be DTC. The initial Nominee with respect to each Series of Commercial Paper Notes shall be CEDE & CO., as nominee of DTC.

Section 2.06. Conditions Precedent to Delivery of Commercial Paper Notes.

(a) Prior to the issuance of the first Commercial Paper Notes hereunder, Commercial Paper Notes of each initial Series shall be executed on behalf of the Board and delivered to the Issuing and Paying Agent, who shall hold such Commercial Paper Notes unauthenticated in safekeeping for the Board. Subject to the provisions of Sections 2.01 and 2.05 hereof and paragraphs (c) and (d) of this Section 2.06, at any time and from time to time prior to the Termination Date, Commercial Paper Notes shall be manually authenticated and delivered by the Issuing and Paying Agent for the consideration and in the manner hereinafter provided, but only upon receipt by the Issuing and Paying Agent of an Issuance Request, no later than 11:00 a.m. (New York City time) on the Business Day on which Commercial Paper Notes are to be delivered, directing the Issuing and Paying Agent to authenticate the Commercial Paper Notes referred to therein and to deliver the same to or upon the order of the Dealer. Each Issuance Request shall include: (i) the principal amount and date of each Commercial Paper Note then

to be delivered; (ii) the rate and amount of interest thereon; (iii) the maturity date thereof; and (iv) the Series designation of such Notes. No later than 3:30 p.m. (New York City time) on each Business Day on which the Board proposes to issue Commercial Paper Notes, the Dealer shall report to the Board each transaction made with or arranged by it or shall notify the Board and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Notes of a Series and the amount of Notes of a Series which the Dealer has arranged to sell or has agreed to purchase.

Upon receipt of such Issuance Request (which may be transmitted by mail, telecopy or other electronic communications method, or by telephone, promptly confirmed in writing), the Issuing and Paying Agent shall, by 4:00 p.m. (New York City time) on such day, complete each Series A Note, each Series B Note and each Series C Note or other Series then to be delivered as to amount, date, maturity date, interest rate and interest amount specified in such Issuance Request, and deliver each such Commercial Paper Note to or upon the order of the Dealer upon receipt of payment therefor; provided, however, that no such Commercial Paper Notes shall be delivered by the Issuing and Paying Agent if such delivery would cause the aggregate principal amount of Commercial Paper Notes Outstanding to exceed the Authorized Amount, or would cause the aggregate amount of interest payable at maturity on Outstanding Commercial Paper Notes to exceed the Interest Component then available under the Letter of Credit, or would cause the principal amount of Bank Notes plus the principal amount of Commercial Paper Notes and interest to accrue thereon until maturity to exceed the Total Commitment. Notwithstanding any provision herein to the contrary, no such Commercial Paper Notes of any Series shall be delivered by the Issuing and Paying Agent if (A) it shall have received notice from an Authorized Board Representative directing the Issuing and Paying Agent to cease authenticating and delivering Commercial Paper Notes until such time as such direction is withdrawn by similar notice, (B) it shall have actual knowledge that an Event of Default shall have occurred and be continuing, (C) it shall have received notice from Bond Counsel that its opinion regarding the exclusion of interest on the Notes of such issue or Series (issued as tax-exempt Notes) from the gross income for Federal income tax purposes of the holders thereof is being withdrawn, (D) the maturity date of such Commercial Paper Notes would extend beyond the Termination Date or (E) the Trustee and the Issuing and Paying Agent shall have received a No-Issuance Notice. If an Issuance Request is received after 11:00 a.m. (New York City time) on a given day, the Issuing and Paying Agent shall not be obligated to deliver the requested Commercial Paper Notes until the next succeeding Business Day.

The Board shall, upon a change in the identity of any Designated Representative, provide a Certificate for each new Designated Representative to the Issuing and Paying Agent.

A copy of each Commercial Paper Note authenticated in bearer form by the Issuing and Paying Agent shall be promptly transmitted by facsimile and thereafter mailed by first class United States mail, postage prepaid, to the Board and the Trustee by the Issuing and Paying Agent. The Issuing and Paying Agent shall furnish the Board with such additional information with respect to the carrying out of its duties hereunder as the Board from time to time shall reasonably request.

(b) In addition to the Issuance Request described above in this Section 2.06, and as a further condition to the issuance of any Commercial Paper Notes, the Designated Representative shall certify to or instruct, for and on behalf of the Board, the Issuing and Paying Agent that, as of the date of delivery of such Commercial Paper Notes, (i) the Letter of Credit is in full force and effect; (ii) after the issuance of such Commercial Paper Notes and the application of the proceeds thereof, the aggregate principal amount of Commercial Paper Notes Outstanding will not exceed the Authorized Amount as provided in Section 2.01(b) hereof; (iii) the interest rate or rates borne by the Commercial Paper Notes to be delivered on such date do not exceed the lesser of the Maximum Rate or the rate used in calculating the Interest Component of the Letter of Credit, (iv) unless interest on the Commercial Paper Notes to be issued is to be taxable, to the Board's knowledge there has been no change in the facts, estimates, circumstances and representations of the Board set forth or made (as the case may be) in the Tax Certificate (applicable to such Commercial Paper Notes); (v) the terms of the Commercial Paper Notes do not exceed 270 days and the maturity dates of such Commercial Paper Notes set forth in the Issuance Request do not extend beyond the Termination Date; (vi) the Board has not been notified by Bond Counsel that its opinion with respect to the validity of the Commercial Paper Notes and, unless interest on the Notes is to be taxable, the tax treatment of the interest thereon has been revised or withdrawn or, if any such revision or withdrawal has occurred, the revised opinion or a substitute opinion acceptable to the Dealer has been delivered; (vii) to the actual knowledge of the Board no Event of Default has occurred and is then continuing; (viii) the Note Proceeds shall be deposited into the Bank Payment Account or into the Construction Fund pursuant to Section 4.02 hereof in the amounts specified by the Designated Representative; (ix) the interest payable at maturity on the Outstanding Commercial Paper Notes does not exceed the Interest Component then available under the Letter of Credit; and (x) all of the conditions precedent to the issuance of such Commercial Paper Notes set forth in this Section 2.06 of this Indenture have been satisfied.

The delivery of any Issuance Request to the Issuing and Paying Agent by a Designated Representative in the manner provided in this Section shall constitute the certification and representation of the Board as of the date of such Issuance Request as to the matters set forth in the immediately preceding paragraph.

(c) Any Issuance Request made by telephone pursuant to this Section may be recorded by the Issuing and Paying Agent and shall be confirmed promptly in writing by a Designated Representative, provided, however, that any conflict between any recorded oral Issuance Request and the written confirmation thereof, shall not affect the validity of any recorded oral Issuance Request received by the Issuing and Paying Agent as provided herein. If the Issuing and Paying Agent does not record an oral Issuance Request, and a conflict exists between such oral Issuance Request and the written confirmation thereof, the terms of the written confirmation shall control.

(d) Prior to the initial delivery of the Commercial Paper Notes under this Indenture and as a condition to such initial issuance, the Trustee and the Board shall be notified by the Issuing and Paying Agent that the Issuing and Paying Agent has received:

(i) A fully executed counterpart of the Reimbursement Agreement;

(ii) The executed Letter of Credit;

(iii) The opinions of the United States counsel (and foreign counsel if the Bank is a United States branch or agency of a bank organized under the laws of a country other than the United States) to each Bank, addressed to the Board, the Issuing and Paying Agent and the Trustee, to the effect that the Letter of Credit and the Reimbursement Agreement are valid and legally binding obligations of each Bank, enforceable in accordance with their terms; and

(iv) A fully executed counterpart of the Dealer Agreement.

Section 2.07. Commercial Paper Notes. The Board and the Issuing and Paying Agent may deem and treat the bearer of Notes in bearer form or the registered owner of Notes in registered form as the absolute owner thereof (whether or not such Commercial Paper Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuing and Paying Agent) for the purpose of receiving payment thereof or on account thereof and for all other purposes, and neither the Board nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

Section 2.08. Mutilated, Lost, Stolen or Destroyed Notes.

(a) In the event any Commercial Paper Note is mutilated or defaced but identifiable by number and description, the Board shall execute and the Authenticating Agent shall authenticate and deliver a new Note of like Series, date, maturity and denomination as such Note, upon surrender thereof to the Issuing and Paying Agent; provided that there shall first be furnished to the Issuing and Paying Agent clear and unequivocal proof satisfactory to the Issuing and Paying Agent that the Note is mutilated or defaced to such an extent as to impair its value to the Noteholder. The Noteholder shall accompany the above with a deposit of money required by the Issuing and Paying Agent for the cost of preparing the substitute Note and all other expenses connected with the issuance of such substitute. The Issuing and Paying Agent shall then cause proper record to be made of the cancellation of the original, and thereafter the substitute shall have the validity of the original.

(b) In the event any Note is lost, stolen or destroyed, the Board may execute and the Authenticating Agent may authenticate and deliver a new Note of like Series, date, maturity and denomination as that Note lost, stolen or destroyed, provided that there shall first be furnished to the Issuing and Paying Agent evidence of such loss, theft or destruction satisfactory to the Issuing and Paying Agent, together with indemnity satisfactory to it.

(c) Except as limited by any Supplemental Indenture, the Issuing and Paying Agent may charge the holder of any such Note all governmental charges and transfer taxes, if any, and its reasonable fees and expenses in this connection. All substitute Notes issued and authenticated

pursuant to this Section shall be issued as a substitute and numbered, as determined by the Issuing and Paying Agent. In the event any such Note has matured or been called for redemption, instead of issuing a substitute Note, the Issuing and Paying Agent may pay the same at its maturity or redemption without surrender thereof upon receipt of indemnity satisfactory to the Issuing and Paying Agent.

Section 2.09. Transfer or Exchange of Notes.

Upon surrender for transfer of any Note at the principal corporate trust office of the Registrar, the Registrar shall deliver in the name of the transferee or transferees a new fully authenticated and registered Note or Notes of authorized denominations of the same Series and same maturity for the same aggregate principal amount.

Noteholders may present Notes at the principal corporate trust office of the Registrar for exchange for Notes of different authorized denominations and, upon such presentation, the Registrar shall deliver to the Noteholder a new fully authenticated and registered Note or Notes of the same Series and same maturity for the same aggregate principal amount.

All Notes presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Noteholder or by his duly authorized attorney.

Except as limited by any Supplemental Indenture, the Registrar also may require payment from the Noteholder of a sum sufficient to cover any tax, or other governmental fee or charge that may be imposed in relation thereto. Such taxes, fees and charges shall be paid before any such new Note shall be delivered.

Supplemental Indentures may designate certain limited periods during which Notes will not be exchanged or transferred.

Notes delivered upon any exchange or transfer as provided herein, or as provided in Section 2.08, shall be valid limited obligations of the Board, evidencing the same debt as the Note or Notes surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Note or Notes surrendered.

Section 2.10. Destruction of Notes. Whenever any Notes shall be delivered to the Issuing and Paying Agent for cancellation pursuant to this Indenture, upon payment of the principal amount and interest represented thereby or for replacement pursuant to Section 2.08 or exchange or transfer pursuant to Section 2.09, such Note shall be cancelled and destroyed by the Issuing and Paying Agent or the Registrar and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Issuing and Paying Agent to the Board.

Section 2.11. Temporary Notes. Pending preparation of definitive Notes of any Series, the Board may execute and the Issuing and Paying Agent shall authenticate and deliver, in lieu of definitive Notes and subject to the same limitations and conditions, interim receipts, certificates or temporary Notes which shall be exchanged for the Notes.

If temporary Notes shall be issued, the Board shall cause the definitive Notes to be prepared and to be executed, authenticated and delivered to the Issuing and Paying Agent, and the Issuing and Paying Agent, upon presentation to it of any temporary Note, shall cancel the same and deliver in exchange therefor at the place designated by the holder, without charge to the holder thereof, definitive Notes of an equal aggregate principal amount of the same Series, issue date, maturity and bearing interest the same as the temporary Notes surrendered. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Notes to be issued and authenticated hereunder.

ARTICLE III

PLEDGE OF AVAILABLE PLEDGED REVENUES

Section 3.01 Available Pledged Revenues. The Commercial Paper Notes, the Bank Notes and any Parity Notes shall be special, limited obligations of the Board, shall be payable as to both principal and interest from, and shall be secured by a pledge of, lien on and security interest in all Available Pledged Revenues and all amounts in the funds and accounts created or maintained pursuant to this Indenture, the Issuing and Paying Agent Agreement or any Tax Certificate (except the Rebate Fund), including earnings on such amounts, subject only to the provisions of this Indenture and the Issuing and Paying Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein and therein, which pledge, lien and security interest shall be junior and subordinate, first to the pledge of Pledged Revenues and the lien created thereon by the Senior Lien Indenture in favor of the Senior Lien Bonds, and second to the pledge of Pledged Revenues and the lien created thereon by the DBW Loans in favor of the Board's repayment obligations thereunder and by any Subordinate Revenue Bonds Indenture in favor of any Subordinate Revenue Bonds. The Available Pledged Revenues constitute a trust fund for the security and payment of the interest on and principal of the Commercial Paper Notes, the Bank Notes and all Parity Notes secured by Available Pledged Revenues. The Available Pledged Revenues are hereby pledged to the payment of the Commercial Paper Notes and the Bank Notes without priority or distinction of one over the other. The pledge of Available Pledged Revenues herein made shall be irrevocable until all of the Commercial Paper Notes and the Bank Notes and any Parity Notes secured by Available Pledged Revenues have been paid and retired. The granting of this pledge by the Board does not limit in any manner the rights of the Board to issue any additional Parity Notes or incur any other obligations payable on a parity with or subordinated in right of payment to the Notes, the Bank Notes and Parity Notes, or from granting a security interest in the Available Pledged Revenues to any other Person in connection with such additional obligations.

Section 3.02. Deposit of Pledged Revenues; Notification of Pledge of Available Pledged Revenues. The Board covenants and agrees that all Pledged Revenues (as defined in the Senior Lien Indenture), when and as received, shall be deposited by the Board pursuant to the Act in the Port Revenue Fund in the City Treasury and will be accounted for pursuant to the Act. The Board will notify the City Treasurer of the pledge of, lien on, and security interest in Available Pledged Revenues granted by this Indenture and the Board shall ensure that all such Available Pledged Revenues shall be accounted for separate and apart from all other moneys, funds, accounts or other resources of the Board or the City.

ARTICLE IV

APPLICATION OF COMMERCIAL PAPER NOTE PROCEEDS

Section 4.01. Creation of Funds and Accounts.

(a) The Construction Fund is hereby created as a separate fund and shall be held, maintained and accounted for by the Trustee, and the moneys in said fund shall be used for the purposes for which the Notes of any Series are authorized to be issued, including but not limited to the payment of principal of and interest on the Notes and the costs of issuance and sale thereof. If so specified in a Tax Certificate, the Board shall establish one or more subaccounts within the Construction Fund. The Construction Fund is designated as the "Commercial Paper Construction Fund" and herein called the "Construction Fund."

(b) The Debt Service Fund is hereby created as a separate trust fund and shall be held by the Issuing and Paying Agent. The Board may direct the Issuing and Paying Agent to establish and maintain a separate account or accounts in the Debt Service Fund with respect to any or all of the Notes of one or more Series. Moneys in the Debt Service Fund and the accounts therein shall be held in trust separate and apart from all other moneys, funds and accounts held by the Issuing and Paying Agent and applied to pay principal of and interest on Outstanding Notes, in the amounts, at the times and in the manner set forth herein and in any Supplemental Indenture. Moneys in the accounts in the Debt Service Fund may also be applied to pay or reimburse a Bank for unreimbursed Advances to the extent provided herein or in any Supplemental Indenture. The following accounts are hereby established within the Debt Service Fund, and the Issuing and Paying Agent shall hold such accounts in trust in accordance herewith and with the Issuing and Paying Agent Agreement:

(1) "Commercial Paper Debt Service Account", and herein called the "Debt Service Account;"

(2) Three "Commercial Paper Bank Payment Accounts," herein called the "Bank Payment Accounts" designated as;

(i) the "Series A Bank Payment Account;"

(ii) the "Series B Bank Payment Account;"

(iii) the "Series C Bank Payment Account;" and

(3) "Bank Note Debt Service Account" and herein called the "Bank Note Account."

Section 4.02. Deposit of Proceeds of Commercial Paper Notes. Immediately upon receipt thereof, the Issuing and Paying Agent shall, if instructed by an Authorized Board Representative, first deposit the proceeds of the sale of Commercial Paper Notes into the applicable Bank Payment Account in an amount equal to the unreimbursed Advances made by the Banks to pay principal of or interest on Commercial Paper Notes of such Series. Proceeds so deposited shall be held separate and apart from all other funds and accounts and not commingled with any other moneys. The remaining proceeds shall be transferred to the Trustee for deposit in the Construction Fund.

Section 4.03. Application of Moneys in the Construction Fund.

(a) Moneys in the Construction Fund attributable to each Series shall be applied to the payment of the costs of the Project for such Series. An Authorized Board Representative may from time to time amend the list of Projects in a Tax Certificate; *provided, however,* that the Authorized Board Representative shall not amend the list of Projects in such a way as to change the tax status of the related Series of Commercial Paper Notes. An Authorized Board Representative is hereby authorized to execute one or more supplemental Tax Certificates in connection with any Series of Notes.

(b) The Trustee shall make payments or disbursements from the Construction Fund upon receipt from the Board of a written requisition, in substantially the form attached as Exhibit C to this Indenture, executed by an Authorized Board Representative, which requisition shall state, with respect to each amount requested thereby, (i) the account, if any, within the Construction Fund from which such amount is to be paid, (ii) the number of the requisition from such account, (iii) the amount to be paid, the name of the Person to which the payment is to be made and the manner in which the payment is to made, (iv) that the amount to be paid represents a cost of a qualifying Project as described in a Tax Certificate of the Board, or is related to a Series C Project, as applicable, and (v) unless related to a Series C Project, that the amounts requisitioned will be expended only in accordance with and subject to the limitations set forth in the applicable Tax Certificate.

(c) Moneys held in the Construction Fund shall be invested and reinvested by the Trustee in Permitted Investments as directed by an Authorized Board Representative.

(d) Any amounts remaining in the Construction Account for a Series of Notes at the completion of the Project for such Series shall be transferred to the Bank Payment Account and

be used to repay Advances to the extent that a portion of such Advances is allocable to the interest on the Notes of such Series.

Section 4.04. Deposits Into and Uses of the Commercial Paper Debt Service Account and the Bank Payment Account.

(a) At or before 4:15 p.m. New York City time, on the maturity date of each Note, the Board may deposit or cause to be deposited, from Available Pledged Revenues or other moneys of the Board legally available therefor including Note Proceeds, an amount sufficient together with other available moneys, if any, with the Issuing and Paying Agent for deposit into the related Series Bank Payment Account, to reimburse the Banks in an amount equal to the principal of and interest due on all Notes maturing on such maturity date; provided that the Board shall be required to deposit into a segregated account (hereinafter designated the "Shortfall Account") such amounts from such source, at such time, to the extent Advances are not made under the Letter of Credit to pay the principal of and interest on the Notes maturing on such date. The "Shortfall Account" is hereby created as a separate trust fund and shall be held separate and apart from all other moneys, funds and accounts held by the Issuing and Paying Agent. Amounts deposited in the Shortfall Account, if any, shall be applied to pay any deficiency in Advances to pay the full amount of the principal of and interest on all Notes maturing on such maturity date. The Issuing and Paying Agent shall notify the Board on or before 5:00 p.m. New York City time, on the Business Day prior to such maturity date, of the total amount due on such maturity date. Not later than 3:00 p.m. New York City time on the maturity date of each Note, either the Issuing and Paying Agent or a Designated Representative shall notify the Administrative Agent if the Board has not deposited or caused to be deposited, from Available Pledged Revenues or other moneys legally available therefor, with the Issuing and Paying Agent for deposit into the related Series Bank Payment Account, an amount equal to the Interest Advances drawn on such date.

(b) Each Advance received by the Issuing and Paying Agent as a result of a drawing under the Letter of Credit to pay the principal of and interest on maturing Notes shall be deposited into the Debt Service Account of the Debt Service Fund and used to pay the principal of and interest on such maturing Notes upon the proper presentment thereof. Each Advance so deposited shall be held separate and apart from all other funds and accounts and not commingled with any other moneys. At or before 12:00 Noon New York City time on each maturity date, the Issuing and Paying Agent shall notify the Board whether or not the Issuing and Paying Agent has received a sufficient Advance or Advances to pay all such maturing principal and interest.

(c) Amounts deposited into the Series A Bank Payment Account shall be used, on each day that an Advance with respect to Series A Notes is received by the Issuing and Paying Agent and deposited into the Debt Service Account, by the Issuing and Paying Agent to reimburse the Banks for the amount of such Advance; *provided, however,* if, on any maturity date of the Series A Notes, the Advances paid under the Letter of Credit with respect to Series A Notes are not sufficient to pay the full amount of the principal of and interest due on such

Series A Notes on such date, amounts in the Series A Bank Payment Account shall be used to make the balance of such payment.

(d) Amounts deposited into the Series B Bank Payment Account shall be used, on each day that an Advance with respect to Series B Notes is received by the Issuing and Paying Agent and deposited into the Debt Service Account, by the Issuing and Paying Agent to reimburse the Banks for the amount of such Advance; *provided, however,* if, on any maturity date of the Series B Notes, the Advances paid under the Letter of Credit with respect to Series B Notes are not sufficient to pay the full amount of the principal of and interest due on such Series B Notes on such date, amounts in the Series B Bank Payment Account shall be used to make the balance of such payment.

(e) Amounts deposited into the Series C Bank Payment Account shall be used, on each day that an Advance with respect to Series C Notes is received by the Issuing and Paying Agent and deposited into the Debt Service Account, by the Issuing and Paying Agent to reimburse the Banks for the amount of such Advance; *provided, however,* if, on any maturity date of the Series C Notes, the Advances paid under the Letter of Credit with respect to Series C Notes are not sufficient to pay the full amount of the principal of and interest due on such Series C Notes on such date, amounts in the Series C Bank Payment Account shall be used to make the balance of such payment.

(f) Moneys in the Debt Service Account shall not be invested. Moneys in the Bank Payment Account shall be invested and reinvested by the Issuing and Paying Agent in Permitted Investments as directed by an Authorized Board Representative, or, in the absence of such direction, in Permitted Investments described in subparagraph (9) of the definition thereof.

Section 4.05. Drawings Under the Letter of Credit. On or before each maturity date for any Commercial Paper Note, the Issuing and Paying Agent shall present all required drawing certificates and accompanying documentation, if required, to the Administrative Agent and demand payment be made under the Letter of Credit on such maturity date at such time and in such amount not in excess of the Stated Amount so as to be timely and sufficient to pay the entire amount of principal and interest becoming due on all Commercial Paper Notes on such date. No drawings under the Letter of Credit shall be used to pay principal of and interest due on Bank Notes or any Notes which are owned or held by or for the account of the Port. Without limiting any other liability of the Issuing and Paying Agent for this or any other action, failure of the Issuing and Paying Agent to perform the duties and obligations set forth in this covenant shall constitute gross negligence on its part.

ARTICLE V

THE BANK NOTES

Section 5.01. Authorization and Terms of Bank Notes.

(a) The Board hereby authorizes the issuance of one or more of its Bank Notes, subject to the provisions of this Section 5.01 and as hereinafter provided. The Bank Notes shall be issued for each Bank and designated the "Port of Oakland, California Bank Notes (insert name of Bank)." The Bank Notes shall be issued from time to time as provided herein in the event that any Advance is not reimbursed on the Business Day such Advance is made. Bank Notes shall be issued in consideration of the payment of the related unreimbursed Advance by a Bank. The aggregate principal amount of Bank Notes that may be outstanding at any one time hereunder shall not at any time exceed the Total Commitment.

(b) The Bank Notes shall be dated the date of their respective authentication and issuance; shall be issued in registered form only; shall be issued in any denomination and shall bear interest at the Bank Rate (calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed); *provided, however,* that the interest rate on the Bank Notes shall never exceed the maximum rate permitted by applicable law. Bank Notes shall bear interest from their respective dates, payable in accordance with the Reimbursement Agreement. Principal of Bank Notes shall be payable in accordance with the Reimbursement Agreement. The final maturity of the Bank Notes shall be no later than such date as may be provided for in the Reimbursement Agreement.

(c) The maturity date and other terms of each Bank Note, so long as not inconsistent with the terms of this Indenture, shall be as set forth in the certificate of an Authorized Board Representative directing the issuance of such Bank Note.

(d) Each Series of Bank Notes shall be subject to optional prepayment prior to maturity in accordance with, and upon notice as provided by, the Reimbursement Agreement.

(e) Each Series of Bank Notes shall be numbered consecutively from No. 1 upward. The Issuing and Paying Agent may make additional provision for numbering, including additional prefixes and suffixes, as it may deem appropriate.

Section 5.02. Issuance of Bank Notes. In the event that any Bank shall have made an Advance that has not been reimbursed by 4:30 p.m. New York City time on the same Business Day, such Bank or the Administrative Agent shall provide notice in writing to the Board, the Issuing and Paying Agent and the Trustee requesting the issuance of a Bank Note and stating: (i) the amount of the Advance that remains unreimbursed; (ii) the final maturity date of such Bank Note as determined pursuant to the Reimbursement Agreement; and (iii) the amount of each scheduled principal installment on such Bank Note as determined pursuant to the

Reimbursement Agreement. Upon receipt of such notice, the Issuing and Paying Agent shall authenticate a Bank Note in accordance with such notice and the certificate of an Authorized Board Representative delivered to the Issuing and Paying Agent pursuant to Section 5.01(c) and shall deliver such Bank Note to or upon the order of the respective Bank.

Section 5.03. Form of Bank Notes and Authentication Certificate. The definitive Bank Notes and the Certificate of Authentication endorsed thereon shall be substantially in the form set forth in Exhibit B attached hereto and made a part hereof with such appropriate variations, omissions and insertions as shall be necessary or appropriate in order to accomplish the purpose of this Indenture.

The Bank Notes may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law or regulation with respect thereto.

Section 5.04. No Transfer of Bank Notes. To the extent permitted by applicable law, the Bank Notes shall be non-negotiable and non-transferable.

Section 5.05. Deposits of Available Pledged Revenues in Bank Note Account. On the Business Day before each Bank Note Payment Date, an Authorized Board Representative shall allocate and transfer to the Issuing and Paying Agent for deposit in the Bank Note Account amounts from Available Pledged Revenues or other available moneys, if any, as follows:

(a) An amount equal to the aggregate amount of interest due and payable on such Bank Note Payment Date on all Bank Notes outstanding; and

(b) An amount equal to the aggregate principal amount due and payable on such Bank Note Payment Date on the outstanding Bank Notes.

(c) Amounts in the Bank Note Account shall be invested by the Issuing and Paying Agent in Permitted Investments as directed in writing by an Authorized Board Representative, or in the absence of direction from an Authorized Board Representative, the Issuing and Paying Agent shall select Permitted Investments described in subparagraph (9) of the definition thereof.

(d) The Bank Notes shall not be payable from the proceeds of a Letter of Credit drawing.

ARTICLE VI

COVENANTS

Section 6.01. Tax Covenants. In order to maintain the exclusion from gross income of the interest on the Notes for Federal income tax purposes, the Board covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code and the

Board agrees to comply with the covenants contained in, and the instructions given pursuant to, each Tax Certificate which by this reference is incorporated herein, as a source of guidance for compliance with such provisions.

Notwithstanding any other provisions of this Indenture or any Supplemental Indenture to the contrary, upon the Board's failure to observe, or refusal to comply with the foregoing covenant, no person other than the holders of any Notes shall be entitled to exercise any right or remedy provided to the holders of any Notes under this Indenture or any Supplemental Indenture on the basis of the Board's failure to observe, or refusal to comply, with such covenant.

Section 6.02. Taxable Notes. Notwithstanding anything in this Indenture to the contrary, in the event an Authorized Board Representative designates a Series as obligations not described in Section 103(a) of the Code, including the Series C Notes issued hereunder, the provisions of Section 6.01 shall not apply to such Series.

Section 6.03. Letter of Credit. The Board hereby covenants to maintain in effect a Letter of Credit meeting the requirements hereof at all times that Commercial Paper Notes are Outstanding hereunder.

ARTICLE VII

ISSUING AND PAYING AGENT; DEALER

Section 7.01. Appointment of Issuing and Paying Agent. The Board hereby appoints U.S. Bank Trust National Association, as Issuing and Paying Agent, Authenticating Agent and Registrar and agrees that, at or prior to the time of issuance of the initial Commercial Paper Notes, the Board will enter into the Issuing and Paying Agent Agreement and the Board will at all times prior to the Termination Date maintain in effect an Issuing and Paying Agent Agreement, pursuant to which the Issuing and Paying Agent will agree to hold funds and fulfill the duties and obligations of the Issuing and Paying Agent, as provided for in this Indenture.

The Issuing and Paying Agent, Authenticating Agent, and Registrar shall (i) designate to the Trustee its principal office and (ii) signify its acceptance of the duties and obligations imposed upon it hereunder and under any Supplemental Indenture by written instrument of acceptance delivered to the Board and the Trustee.

Section 7.02. Reports and Records. (a) The Issuing and Paying Agent 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 Notes and any funds and accounts established and maintained by the Issuing and Paying Agent pursuant to this Indenture and any Supplemental Indenture. Such records shall be available for inspection by the Port on each Business Day upon reasonable notice during reasonable business hours and by any Owner or its agent or representative duly authorized in writing at reasonable hours and under reasonable

circumstances. The Issuing and Paying Agent shall not be required to maintain records with respect to transactions made by the Trustee or an Authorized Board Representative or with respect to funds established and maintained by the Trustee.

(b) The Issuing and Paying Agent shall provide to the Authorized Board Representative each month a report of the amounts deposited in each fund held by it under this Indenture and the amount disbursed from such funds, the earnings thereon, the ending balance in each of such funds, the investments in each such fund and the yield on each investment calculated in accordance with the directions of an Authorized Board Representative. Such report shall also include such information regarding the issuance of Commercial Paper Notes during the subject month as the Board shall request.

(c) The Issuing and Paying Agent shall maintain such books, records, and accounts as may be necessary to evidence the obligations of the Board resulting from the Commercial Paper Notes, the principal amounts owing thereunder, the maturity schedule therefor, the respective rates of interest thereon and the principal and interest paid from time to time thereunder. So long as the Commercial Paper Notes are in book-entry form, in any legal action or proceeding with respect to a master note, the entries made in such books, records or accounts shall be, absent manifest error, conclusive evidence of the existence and the amounts of the obligations of the Board therein recorded.

Section 7.03. Resignation and Replacement of Issuing and Paying Agent. The Issuing and Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 90 days' written notice to the Administrative Agent, the Trustee and the Board. The Issuing and Paying Agent may be removed, with the written consent of the Administrative Agent, which consent shall not be unreasonably withheld, at any time by an instrument signed by an Authorized Board Representative and filed with the Issuing and Paying Agent, the Administrative Agent and the Trustee. No such resignation or removal shall become effective, however, until a successor Issuing and Paying Agent has been selected and assumed the duties of the Issuing and Paying Agent hereunder and the Letter of Credit has been transferred to the successor Issuing and Paying Agent in accordance with its terms.

In the event of the resignation or removal of the Issuing and Paying Agent, the Issuing and Paying Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor. The Issuing and Paying Agent shall make any representations and warranties to the Board as may be reasonably requested by the Board in connection with any such assignment.

The Issuing and Paying Agent shall, at all times, be a bank or trust company having its principal office in New York, New York and shall at all times be a corporation or a national banking association organized and doing business under the laws of the United States of America or of any state with a combined capital and surplus of at least $50,000,000 and authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by Federal or state authority. If such corporation or national banking association publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the

purposes of this section, the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any corporation or national banking association into which any Issuing and Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or national banking association resulting from any merger, consolidation or conversion to which any Issuing and Paying Agent shall be a party, or any corporation or national banking association succeeding to the corporate trust business of any Issuing and Paying Agent shall be the successor of the Issuing and Paying Agent if such successor corporation or national banking association is otherwise eligible under this Section, without the execution or filing of any document or further act on the part of the Issuing and Paying Agent or such successor corporation or national banking association.

Section 7.04. Dealer. The Board hereby appoints Goldman, Sachs & Co., as Dealer and agrees that, at or prior to the time of issuance of the initial Commercial Paper Notes, the Board will enter into a Dealer Agreement with Dealer. The Board covenants that at all times prior to the Termination Date, it will maintain in effect one or more Dealer Agreements, pursuant to which each Dealer will agree to fulfill the duties and obligations of the Dealer as set forth in this Indenture and its Dealer Agreement.

ARTICLE VIII

TRUSTEE

Section 8.01. Acceptance of Trusts. The Trustee hereby accepts and agrees to execute the trusts specifically imposed upon it by this Indenture, but only upon the additional terms set forth in this Article VIII, to all of which the Board agrees and the respective holders agree by their acceptance of delivery of any of the Notes.

Section 8.02. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Trustee shall perform the duties set forth in this Indenture and no implied duties or obligations shall be read into this Indenture against the Trustee.

(c) Except during the continuance of an Event of Default, in the absence of any negligence on its part or any knowledge to the contrary, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture.

However, the Trustee shall examine the certificates and opinions to determine whether they conform to the requirements of this Indenture.

(d) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless the Trustee was negligent in ascertaining the pertinent facts; and

(2) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it from holders or the Board in the manner provided in this Indenture.

(e) The Trustee shall not, by any provision of this Indenture, be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk of liability is not reasonably assured to it. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the holders of the Notes, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it to comply with such request or direction.

(f) Every provision of this Indenture that in any way relates to the Trustee is subject to all the paragraphs of this Section.

(g) The Trustee shall not be deemed to have knowledge of an Event of Default unless it has received actual knowledge at the corporate trust office of the Trustee located in San Francisco, California.

Section 8.03. Rights of Trustee. Subject to the foregoing Section, the Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, and the Trustee shall be under no duty to make investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

The Trustee may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action

taken or suffered by the Trustee hereunder in good faith in accordance therewith.

Section 8.04. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Board with the same rights it would have if it were not Trustee. The Issuing and Paying Agent or any other agent may do the same with like rights.

Section 8.05. Trustee's Disclaimer. The Trustee shall not be accountable for the Board's use of the proceeds from the Notes paid to the Board and it shall not be responsible for any statement in the Notes.

Section 8.06. Notice of Defaults. If (i) an Event of Default has occurred or (ii) an event has occurred which with the giving of notice and/or the lapse of time would be an Event of Default and, with respect to such events for which notice to the Board is required before such events will become Events of Default, such notice has been given, then the Trustee shall promptly, after obtaining actual notice of such Event of Default or event described in (ii) of the first sentence of this Section, give notice thereof to each holder and to the Issuing and Paying Agent. Except in the case of a default in payment on any Notes, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the holders.

Section 8.07. Compensation of Trustee. For acting under this Indenture, the Trustee shall be entitled to payment of fees for its services and reimbursement of advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with its services under this Indenture and the Board agrees to pay such amounts to the Trustee. The Board agrees to indemnify and hold the Trustee harmless against costs, claims, expenses and liabilities, not arising from the Trustee's own negligence, misconduct or breach of duty, which the Trustee may incur in the exercise and performance of its rights and obligations hereunder. Such obligation shall survive the discharge of this Indenture or the resignation or removal of the Trustee.

Section 8.08. Eligibility of Trustee. This Indenture shall always have a Trustee that is a trust company or a bank having the powers of a trust company and is organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized to conduct trust business under the laws of the State, is subject to supervision or examination by United States, state or District of Columbia authority and has a combined capital and surplus of at least $100,000,000 as set forth in its most recent published annual report of condition.

Section 8.09. Replacement of Trustee. The Trustee may resign by notifying the Board in writing at least 60 days prior to the proposed effective date of the resignation. The holders of a majority in Outstanding principal amount of the Notes may remove the Trustee by notifying the removed Trustee and may appoint a successor Trustee with the Board's consent. The Board may remove the Trustee, by notice in writing delivered to the Trustee 60 days prior to the

proposed removal date; provided, however, that the Board shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing or when an event has occurred and is continuing or condition exists which with the giving of notice or the passage of time or both would be an Event of Default.

No resignation or removal of the Trustee under this Section shall be effective until a new Trustee has taken office and delivered a written acceptance of its appointment to the retiring Trustee and to the Board. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the resignation or removal of the retiring 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 Indenture.

If the Trustee resigns or is removed or for any reason is unable or unwilling to perform its duties under this Indenture, the Board shall promptly appoint a successor Trustee.

If a Trustee is not performing its duties hereunder and a successor Trustee does not take office within 60 days after the retiring Trustee delivers notice of resignation or the Board delivers notice of removal, the retiring Trustee, the Board or the holders of a majority in Outstanding principal amount of the Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 8.10. Successor Trustee or Agent by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to another corporation which meets the qualifications set forth in this Indenture, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

Section 8.11. Other Agents. The Board, or the Trustee with the consent of the Board, may from time to time appoint other agents as may be appropriate at the time to perform duties and obligations under this Indenture or under a Supplemental Indenture all as provided by Supplemental Indenture or resolution of the Board.

Section 8.12. Several Capacities. Anything in this Indenture to the contrary notwithstanding, with the consent of the Board, the same entity may serve hereunder as the Trustee and any other agent as appointed to perform duties or obligations under this Indenture, under a Supplemental Indenture or an escrow agreement, or in any combination of such capacities, to the extent permitted by law.

Section 8.13. Accounting Records and Reports of the Trustee.

(a) 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 Note Proceeds and all funds and accounts established pursuant to this Indenture. Such records shall be available for inspection by the Board on each Business Day during reasonable business hours

and by any holder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall provide to the Board each month a report of any Note Proceeds received during that month, if any, and the amounts deposited into each fund and account held by it under this Indenture and the amount disbursed from such funds and accounts, the earnings thereon, the ending balance in each of such funds and accounts and the investments of each such fund and account.

(c) The Trustee shall annually, within a reasonable period after the end of the Fiscal Year, furnish to the Board a statement (which need not be audited) covering receipts, disbursements, allocation and application of Note Proceeds, and any other moneys in any of the funds and accounts held by it established pursuant to this Indenture or any Supplemental Indenture for the preceding year.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES OF NOTEHOLDERS

Section 9.01. Events of Default. Each of the following events shall constitute and is referred to in this Indenture as an "Event of Default":

(a) a failure to pay the principal of any Commercial Paper Note when the same shall become due and payable;

(b) a failure to pay any installment of interest on any Commercial Paper Note when such interest shall become due and payable;

(c) a failure by the Board to observe and perform any covenant, condition, agreement or provision (other than as specified in paragraphs (a) and (b) of this Section 9.01) contained in the Commercial Paper Notes or in this Indenture on the part of the Board to be observed or performed, which failure shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Board by the Trustee, which notice may be given at the discretion of the Trustee and shall be given at the written request of holders of 25% or more of the principal amount of the Commercial Paper Notes then Outstanding, unless the Trustee, or the Trustee and holders of Commercial Paper Notes in an amount not less than the Outstanding principal amount of Commercial Paper Notes the holders of which requested such notice, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee or the Trustee and the holders of such principal amount of Commercial Paper Notes shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Board within such period and is being diligently pursued;

(d) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings,

including without limitation proceedings under Chapter 9 or 11 of the United States Bankruptcy Code (as the same may from time to time be hereafter amended), 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 Board and, if instituted against the City or the Board, said proceedings are consented to or are not dismissed within 60 days after such institution; or

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

If any Event of Default has occurred, but is subsequently cured or waived, then such Event of Default shall no longer constitute an Event of Default hereunder.

Section 9.02. Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee in its discretion may, and upon the written direction of the holders of 25% or more of the principal amount of the Commercial Paper Notes then Outstanding and receipt of indemnity to its satisfaction, shall, in its own name and as the Trustee of an express trust:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Commercial Paper Noteholders, and require the Board to carry out any agreements with or for the benefit of the Commercial Paper Noteholders and to perform its or their duties under the Act or any other law to which it is subject and this Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of this Indenture;

(ii) bring suit upon the Commercial Paper Notes;

(iii) commence an action or suit in equity to require the Board to account as if it were the trustee of an express trust for the Commercial Paper Noteholders; or

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Commercial Paper Noteholders.

(b) The Trustee shall be under no obligation to take any action with respect to any Event of Default unless the Trustee has actual knowledge of the occurrence of such Event of Default.

Section 9.03. Restoration to Former Position. In the event that any proceeding taken by the Trustee to enforce any right under this Indenture shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the Board, the Trustee, and the Commercial Paper Noteholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 9.04. Commercial Paper Noteholders' Right To Direct Proceedings. Subject to Section 10.05, anything else in this Indenture to the contrary notwithstanding, holders of a majority in principal amount of the Commercial Paper Notes then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Indenture to be taken in connection with the enforcement of the terms of this Indenture or exercising any trust or power conferred on the Trustee by this Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of the law and the Indenture and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee.

Section 9.05. Limitation on Right To Institute Proceedings. No Commercial Paper Noteholder 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 Commercial Paper Note, unless such Commercial Paper Noteholder or Commercial Paper Noteholders previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also holders of 25% or more of the principal amount of the Commercial Paper Notes then Outstanding shall have made written request of the Trustee so to do, after the right to institute such suit, action or proceeding under Section 9.02 hereof shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of such suit, action or proceeding; it being understood and intended that no one or more of the Commercial Paper Noteholders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under the Commercial Paper Notes, 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 Commercial Paper Noteholders.

Section 9.06. No Impairment of Right To Enforce Payment. Notwithstanding any other provision in this Indenture, the right of any Commercial Paper Noteholder to receive payment of the principal of and interest on such Commercial Paper Notes, on or after the respective due dates expressed therein and to the extent of the Available Pledged Revenues and other security provided for the Commercial Paper Notes, 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 Commercial Paper Noteholder.

Section 9.07. Proceedings by Trustee Without Possession of Commercial Paper Notes. All rights of action under this Indenture or under any of the Commercial Paper Notes secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Commercial Paper Notes, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Commercial Paper Noteholders, subject to the provisions of this Indenture.

Section 9.08. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to Commercial Paper Noteholders 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 Indenture or the Commercial Paper Notes shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section 9.08.

Section 9.09. No Waiver of Remedies. No delay or omission of the Trustee or of any Commercial Paper Noteholder 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 IX to the Trustee and to the Commercial Paper Noteholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 9.10. Application of Moneys. Any moneys received by the Trustee, by any receiver or by any Commercial Paper Noteholder pursuant to any right given or action taken under the provisions of this Article IX (which shall not include moneys provided through the Letter of Credit, 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 and of the expenses, liabilities and advances incurred or made by the Trustee (including attorneys' fees), shall be applied as follows:

All such moneys shall be applied (i) first, to the payment to the persons entitled thereto of all installments of interest then due on the Commercial Paper Notes, with interest on overdue installments, if lawful, at the rate per annum borne by the Commercial Paper Notes, 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 (ii) second, to the payment to the persons entitled thereto of the unpaid principal amount of any of the Commercial Paper Notes which shall have become due with interest on such Commercial Paper Notes at their respective rate from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Commercial Paper Notes due on any particular 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 9.10, such moneys shall be applied at such times, and from time to time, as the Trustee 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 the Trustee shall apply such funds, it shall fix the date 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. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by first-class United States mail postage prepaid to all Commercial Paper Noteholders and shall not be required to make payment to any Commercial Paper Noteholder until such Commercial Paper Notes shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 9.11. Severability of Remedies. It is the purpose and intention of this Article IX to provide rights and remedies to the Trustee and the Commercial Paper Noteholders, which may be lawfully granted under the provisions of the Act and other applicable law, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Noteholders shall be entitled, as above set forth, to every other right and remedy provided in this Indenture or by applicable law.

Section 9.12. Additional Events of Default and Remedies. So long as any particular Series of Commercial Paper Notes is Outstanding, the remedies as set forth in this Article IX may be supplemented with additional remedies as set forth in a Supplemental Indenture.

ARTICLE X

MISCELLANEOUS

Section 10.01. Substitute Letter of Credit. Notwithstanding anything herein to the contrary, the Board may obtain a substitute Letter of Credit to replace the Letter of Credit then in effect hereunder so long as said substitute Letter of Credit shall go into effect at least one Business Day prior to the termination of the Letter of Credit then in effect. The substitution shall have no effect on any Notes then Outstanding, only on Notes issued on or after the date of substitution. The Expiration Date with respect to such substitute Letter of Credit shall be no earlier than the earlier of (i) six (6) months after its date or (ii) the Expiration Date set forth in the Letter of Credit then in effect. The substitute Letter of Credit shall have a Stated Amount (as such term is used in the original Letter of Credit) as the Letter of Credit being replaced. The following are further conditions to the Issuing and Paying Agent's ability to release an existing Letter of Credit and accept a substitute Letter of Credit:

(a) The Board shall deliver written notice of the proposed substitution to the Trustee, the Issuing and Paying Agent, the Administrative Agent and the Dealer not less than 45 days prior to the substitution date.

(b) There shall be delivered to the Board, the Trustee and the Issuing and Paying

Agent written evidence from each Rating Agency then maintaining a rating on the Commercial Paper Notes, that the substitution of such Letter of Credit will not, in and of itself, result in any rating then assigned to the Commercial Paper Notes being suspended, reduced or withdrawn.

(c) The Issuing and Paying Agent shall deliver written notice to the registered Owners of the Commercial Paper Notes at least 30 days prior to the substitution date. If any Outstanding Note is in bearer form, the Trustee shall publish notice of the substitution of such Letter of Credit in a newspaper of general circulation of the City at least 30 days prior to the substitution date.

(d) An opinion or opinions of counsel to the successor Bank shall be delivered to the effect that the substitute Letter of Credit is a legal, valid and binding obligation of the issuing Bank and is enforceable against the Bank in accordance with its terms.

(e) An opinion of Bond Counsel shall be delivered to the effect that the substitution of the Letter of Credit is authorized hereunder and (with respect to Notes other than taxable Notes) will not, in and of itself, adversely affect the exclusion from gross income for Federal tax purposes of interest on the Notes.

Section 10.02. Timeliness of Deposits. Funds shall be deemed transferred for purposes of timeliness of receipt under this Indenture when transfer instructions for transfer by Federal reserve wire have been given and a Federal wire number confirmation has been received; provided that the party to receive such funds shall not be required to take any action required to be taken hereunder with respect to such funds until it has confirmation of actual receipt of such funds.

Section 10.03. Waiver of Events of Default. No Event of Default with respect to the Commercial Paper Notes or the Bank Notes shall be waived unless after such waiver the reinstatement provisions of the Letter of Credit, if any, shall be in full force and effect.

Section 10.04. Defeasance of Commercial Paper Notes. Commercial Paper Notes shall not be deemed to have been paid in full unless payment of the principal of and interest on the Commercial Paper Notes either (a) shall have been made or caused to be made in accordance with the terms of the Commercial Paper Notes and this Indenture or (b) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment (i) Available Moneys sufficient to make such payment and/or (ii) noncallable Government Obligations purchased with Available Moneys, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment.

Section 10.05. Bank to Control Remedies. While the Letter of Credit is in effect notwithstanding anything else herein to the contrary, so long as each Bank is not Insolvent and is not in default under the Letter of Credit or the Reimbursement Agreement, no right, power or remedy with respect to the Commercial Paper Notes secured by such Letter of Credit may

be pursued without the prior written consent of the Banks, and the Banks shall have the right to direct the Trustee to pursue any right, power or remedy available hereunder with respect to any assets available hereunder which secure only the Notes secured by such Letter of Credit.

Section 10.06. Payments or Actions Occurring on Non-Business Days. If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made or the action taken on the stated date, and no interest shall accrue for the intervening period.

Section 10.07. Notices to Rating Agencies. The Authorized Board Representative shall provide the Rating Agencies with written notice of the occurrence of the following events: (i) changes in the Dealer and the Trustee, (ii) the appointment of a successor Issuing and Paying Agent, (iii) amendments to the Indenture, the Issuing and Paying Agent Agreement and the Reimbursement Agreement (iv) the expiration, termination, substitution, extension or any amendment of a Letter of Credit, and (v) the defeasance of all Outstanding Commercial Paper Notes. Notices to Moody's shall be addressed as follows (or as provided in any subsequent notice to the Board) Moody's Investors Service, 99 Church Street, New York, New York 10007, Attention: Fully Supported Group. Notices to S&P shall be addressed as follows (or as provided in any subsequent notice to the Board) Standard & Poor's, 25 Broadway, New York, New York 10004, Attention: Public Finance Department - Structured Group. Notices to Fitch shall be addressed as follows (or as provided in any subsequent notice to the Board) Fitch, One State Street Plaza, New York New York 10004, Attention: Municipal Structured Finance.

Section 10.08. Parties in Interest. Except as herein otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Board, the Trustee, the Paying Agent, other agents from time to time hereunder, the holders of the Notes, and to the limited extent provided by Section 10.05 of this Indenture, the Banks, any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Board, the Trustee, the Paying Agent, such other agents, the holders of the Notes, and to the limited extent provided in Section 10.05 of this Indenture, the Banks.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 11.01. Limitations. This Indenture shall not be modified or amended in any respect subsequent to the first delivery of fully executed and authenticated Notes except as provided in and in accordance with and subject to the provisions of this Article XI.

Section 11.02. Supplemental Indentures Not Requiring Consent of Noteholders. The Board may, and while the Letter of Credit is in effect and so long as each Bank is not Insolvent and is not in default under the Letter of Credit or the Reimbursement Agreement with the prior written consent of the Banks, from time to time and at any time, without the consent of or notice to the Noteholders, execute and deliver Supplemental Indentures supplementing and/or amending this Indenture or any Supplemental Indenture as follows:

(a) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, this Indenture or any Supplemental Indenture, provided such supplement or amendment is not materially adverse to the Noteholders;

(b) to add to the covenants and agreements of the Board in this Indenture or any Supplemental Indenture other covenants and agreements, or to surrender any right or power reserved or conferred upon the Board, provided such supplement or amendment shall not materially adversely affect the interests of the Noteholders;

(c) to confirm, as further assurance, any interest of the Issuing and Paying Agent in and to the Available Pledged Revenues or in and to the funds and accounts held by the Trustee or the Issuing and Paying Agent or in and to any other moneys, securities or funds of the Board provided pursuant to this Indenture or to otherwise add additional security for the Noteholders;

(d) to evidence any change made in the terms of any Series of Notes if such changes are authorized by the Supplemental Indenture at the time the Series of Notes is issued and such change is made in accordance with the terms of such Supplemental Indenture;

(e) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(f) to modify, alter, amend or supplement this Indenture or any Supplemental Indenture in any other respect which is not materially adverse to the Noteholders;

(g) to qualify the Notes or a Series of Notes for a rating or ratings by Moody's and/or S&P;

(h) to accommodate the technical, operational and structural features of Notes which are issued or are proposed to be issued, including, but not limited to, changes needed to accommodate Parity Notes, Senior Lien Bonds and Subordinate Revenue Bonds, other forms of commercial paper, or other forms of indebtedness which the Board from time to time deems appropriate to incur;

(i) to accommodate the use of a credit facility or liquidity facility for specific Notes or a specific Series of Notes;

(j) to comply with the requirements of the Code as are necessary, in the opinion of Bond Counsel, to prevent the Federal income taxation of the interest on the Notes issued as tax-exempt Notes, as appropriate, including, without limitation, the segregation of Available Pledged Revenues into different funds; or

(k) to take effect only with respect to Notes issued on or after the effective date of the Supplemental Indenture accompanied by appropriate disclosure of the amendment or supplement.

Before the Board shall, pursuant to this Section 11.02, execute any Supplemental Indenture, there shall have been delivered to the Board an opinion of Bond Counsel to the effect that such Supplemental Indenture is authorized or permitted by this Indenture, the Act and other applicable law, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Board in accordance with its terms and will not cause

interest on any of the Notes which is then excluded from gross income of the recipient thereof for federal income tax purposes to be included in gross income for federal income tax purposes.

Section 11.03. Supplemental Indentures Requiring Consent of Noteholders.

(a) Except for any Supplemental Indenture entered into pursuant to Section 11.02 and any Supplemental Indenture entered into pursuant to Section 11.03(b) below, subject to the terms and provisions contained in this Section 11.03 and not otherwise, the holders of not less than 51% in aggregate principal amount of the Notes then Outstanding shall have the right from time to time, and while the Letter of Credit is in effect and so long as each Bank is not Insolvent and is not in default under the Letter of Credit or the Reimbursement Agreement with the prior written consent of the Banks, to consent to and approve the execution by the Board of any Supplemental Indenture deemed necessary or desirable by the Board for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in a Supplemental Indenture; provided, however, that, unless approved in writing by the holders of all the Notes then Outstanding or unless such change affects less than all Series of Notes and the following subsection (b) is applicable, nothing herein contained shall permit, or be construed as permitting, (i) an extension in the stated maturity of any Outstanding Notes, or change the amounts or currency of payment of the principal of or interest on of any Outstanding Notes or (ii) a reduction in the principal amount or redemption price of any Outstanding Notes or the rate of interest thereon; and provided that nothing herein contained, including the provisions of Section 11.03(b) below, shall, unless approved in writing by the holders of all the Notes then Outstanding, permit or be construed as permitting (iii) except with respect to additional security which may be provided for a particular Series of Notes, a preference or priority of any Note or Notes over any other Note or Notes with respect to the security granted therefor under this Indenture, or (iv) a reduction in the aggregate principal amount of Notes the consent of the Noteholders of which is required for any such Supplemental Indenture. Nothing herein contained, however, shall be construed as making

necessary the approval by Noteholders of the execution of any Supplemental Indenture as authorized in Section 11.02, including the granting, for the benefit of particular Series of Notes, security in addition to the pledge of the Available Pledged Revenues.

(b) The Board may, from time to time and at any time, execute a Supplemental Indenture which amends the provisions of an earlier Supplemental Indenture. If such Supplemental Indenture is executed for one of the purposes set forth in Section 11.02, no notice to or consent of the Noteholders shall be required. If such Supplemental Indenture contains provisions which affect the rights and interests of less than all Series of Notes Outstanding and Section 11.02 is not applicable, then this subsection (b) rather than subsection (a) above shall control and, subject to the terms and provisions contained in this Section 11.03(b) and not otherwise, the holders of not less than 51% in aggregate principal amount of the Notes of all Series which are affected by such changes shall have the right from time to time to consent to any Supplemental Indenture deemed necessary or desirable by the Board for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in such Supplemental Indenture and affecting only the Notes of such Series; provided, however, that, unless approved in writing by the holders of all the Notes of all the affected Series then Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of or interest on any Outstanding Notes of such Series or (ii) a reduction in the principal amount or redemption price of any Outstanding Notes of such Series or the rate of interest thereon. Nothing herein contained, however, shall be construed as making necessary the approval by Noteholders of the adoption of any Supplemental Indenture as authorized in Section 11.02, including the granting, for the benefit of particular Series of Notes, security in addition to the pledge of the Available Pledged Revenues.

(c) If at any time the Board shall desire to enter into any Supplemental Indenture for any of the purposes of this Section 11.03, the Board shall cause notice of the proposed execution of the Supplemental Indenture to be given by first-class United States mail to all Noteholders or, under Section 11.03(b), all Noteholders of the affected Series. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office of the Board for inspection by all Noteholders and it shall not be required that the Noteholders approve the final form of such Supplemental Indenture but it shall be sufficient if such Noteholders approve the substance thereof.

(d) The Board may execute and deliver such Supplemental Indenture in substantially the form described in such notice, but only if there shall have first been delivered to the Board (i) the required consents, in writing, of Noteholders and (ii) the opinion of Bond Counsel required by the last paragraph of Section 11.02.

(e) If Noteholders of not less than the percentage of Notes required by this Section 11.03 shall have consented to and approved the execution and delivery thereof as herein provided, no Noteholders shall have any right to object to the adoption of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation

thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Board from executing the same or from taking any action pursuant to the provisions thereof.

Section 11.04. Effect of Supplemental Indenture. Upon execution and delivery of any Supplemental Indenture pursuant to the provisions of this Article XI, this Indenture or the Supplemental Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture and the Supplemental Indenture of the Board, the Trustee, the Issuing and Paying Agent and all Noteholders shall thereafter be determined, exercised and enforced under this Indenture and the Supplemental Indenture, if applicable, subject in all respects to such modifications and amendments.

Section 11.05. Supplemental Indentures To Be Part of This Indenture. Any Supplemental Indenture adopted in accordance with the provisions of this Article XI shall thereafter form a part of this Indenture or the Supplemental Indenture which they supplement or amend, and all of the terms and conditions contained in any such Supplemental Indenture as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture or the Supplemental Indenture which they supplement or amend for any and all purposes.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the date first above written.

BOARD OF PORT COMMISSIONERS
OF THE CITY OF OAKLAND,
CALIFORNIA

By: _____
Authorized Board Representative

U.S. BANK TRUST NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

Approved as to form
and legality this 14th
day of October 1998:

DAVID ALEXANDER, Port Attorney

By _____

Port Resolution No. 98375

EXHIBIT A

(Form of Master Note)

PORT OF OAKLAND, CALIFORNIA
COMMERCIAL PAPER NOTES
SERIES ___

Registered Owner: CEDE & CO.

Principal Sum: Not to Exceed $_____ Outstanding

The Board of Port Commissioners of the City of Oakland, California, a board duly organized and existing under and pursuant to the Charter of the City of Oakland, California and the laws of the State of California (hereinafter called the "Board"), for value received, hereby promises to pay (but only out of the Available Pledged Revenues hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of the Board (the "Underlying Records") as being evidenced by this Master Note, which Underlying Records are maintained by U.S. Bank Trust National Association, as Issuing and Paying Agent (the "Issuing and Paying Agent") under that certain Issuing and Paying Agent Agreement, dated as of October 1, 1998, between the Board and the Issuing and Paying Agent (the "Issuing and Paying Agent Agreement"). Interest shall be calculated on the basis of actual days elapsed in a 365 or 366 day year, as the case may be, at the rate specified on the Underlying Records. Payments shall be made solely from Available Pledged Revenues (as defined in the Indenture referred to hereinafter) and payments of drawings under an irrevocable direct pay Letter of Credit of Commerzbank Aktiengesellschaft, acting through its Los Angeles Branch and The Bank of Nova Scotia, acting through its New York Agency, by wire transfer to the registered owner stated hereinabove from the Issuing and Paying Agent without the necessity of presentation and surrender of this Master Note.

This Note is one of a duly authorized issue of Port of Oakland, California Commercial Paper Notes of the Board (hereinafter called the "Notes") of the series and designation indicated on the face hereof. Said authorized issue of Notes is limited to $_____ in aggregate principal amount Outstanding at any time and consists of multiple series of varying denominations, dates, maturities, interest rates and other provisions, as in the Indenture hereinafter mentioned provided, all issued and to be issued pursuant to the provisions of Article VII of the Charter of the City of Oakland, California, and all laws of the State of California supplemental thereto (hereinafter called the "Act"). This Note evidences a series of Notes designated as the "Port of Oakland, California Commercial Paper Note, Series ___" (hereinafter

called the "Series ___ Notes"). This Note is issued pursuant to a resolution of the Board, adopted _____, 1998, and a Trust Indenture dated as of October 1, 1998 by and between the Board and U.S. Bank Trust National Association, as Trustee (the "Trustee"), providing for the issuance of the Notes, including the Series A Notes, the Series B Notes and the Series C Notes in the aggregate principal amount Outstanding at any time not to exceed $_____ (hereinafter called the "Indenture").

Reference is hereby made to the Indenture for a description of the terms on which the Notes are issued and to be issued, the provisions with regard to the nature and extent of the Available Pledged Revenues, as that term is defined in the Indenture, and the rights of the registered owners of the Notes; and all the terms of the Indenture and the Act are hereby incorporated herein and made a contract between the Board and the registered owner from time to time of this Note, and to all the provisions thereof the registered owner of this Note, by its acceptance hereof, consents and agrees. Additional series of Notes may be issued on a parity with the Notes of this authorized Series.

This Note, including the interest hereon, together with all other Notes, and, the interest thereon, issued under the Indenture (and to the extent set forth in the Indenture), is payable from, and is secured by a pledge of and lien on, the Available Pledged Revenues derived by the Board from the Port (as those terms are defined in the Indenture).

The Notes are special, limited obligations of the Board, shall be payable as to both principal and interest from, and shall be secured by a pledge of, lien on and security interest in all Available Pledged Revenues and all amounts in the funds and accounts created or maintained pursuant to the Indenture or any Tax Certificate (except the Rebate Funds), including earnings on such amounts, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, which pledge, lien and security interest shall be junior and subordinate, first to the pledge of Pledged Revenues and the lien created thereon by the Senior Lien Indenture in favor of the Senior Lien Bonds, and second to the pledge of Pledged Revenues and the lien created thereon by the DBW Loans in favor of the Board's repayment obligations thereunder and by any Subordinate Revenue Bonds Indenture in favor of any Subordinate Revenue Bonds. Neither the faith and the credit nor the taxing power of the City of Oakland, the State of California, or any public agency, other than the Board to the extent of the Available Pledged Revenues, is pledged to the payment of the principal of, or interest on, this Note. The Board has no power of taxation.

At the request of the registered owner, the Board shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Note. This Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal office of the Issuing and Paying Agent in New York, New York, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Note. Upon such transfer a new fully registered

Series ___ Note or Series ___ Notes without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

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

The rights and obligations of the Board and of the registered owners of the Notes may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture and, under certain circumstances as described in the Indenture, without the consent of the holders of the Notes.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Note, and in the issuing of this Note, do exist, have happened and have been performed in due time, form and manner, as required by the Charter of the City of Oakland, California.

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

IN WITNESS WHEREOF, the Board of Port Commissioners of the City of Oakland, California has caused this Note to be executed in its name and on its behalf by its President and attested by its Secretary, and the seal of the Port to be imprinted or reproduced by facsimile hereon, and this Note to be dated as of the _____ day of _____, 1998.

BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND

By_____
President

Attested:

_____
Secretary of the Board

CERTIFICATE OF AUTHENTICATION

This is the Master Note described in the within-mentioned Indenture.

U.S. Bank Trust National Association, as Issuing and Paying Agent

By _____
Authorized Signatory

ASSIGNMENT

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

_____
(Name, address and Taxpayer Identification Number of Assignee

this Master Note and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Master Note on the books of the Board with full power of substitution in the premises.

Dated:
Signature(s) Guaranteed

_____
(Signature)

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

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

EXHIBIT B

(Form of Bank Note)

PORT OF OAKLAND, CALIFORNIA
BANK NOTES
(Insert name of Bank)

Dated Date	Principal Payment	Final Maturity Date

Registered Owner:

Original Principal Sum:

The Board of Port Commissioners of the City of Oakland, California, a board duly organized and existing under and pursuant to the Charter of the City of Oakland, California and the laws of the State of California (hereinafter called the "Board"), for value received, hereby promises to pay to the registered owner hereinabove named, the above-stated principal sum at maturity (subject to any prepayment made in accordance with both the Indenture and the Agreement, hereinafter defined), plus interest on the principal balance outstanding from its dated date until the principal hereof shall have been paid, at the applicable Bank Rate (as defined in that certain Letter of Credit and Reimbursement Agreement, dated as of October 1, 1998 (hereinafter called the "Agreement"), between the Board and Commerzbank Aktiengesellschaft, acting through its Los Angeles Branch, in its individual capacity and as Administrative Agent, and The Bank of Nova Scotia, acting through its New York Agency). Interest shall be payable quarterly in arrears on each January 1, April 1, July 1, and October 1, to and including the final maturity date hereinabove stated (each a "Payment Date"). Payment of principal of and interest on this Bank Note shall be made in immediately available funds in lawful currency of the United States of America to the Administrative Agent on behalf of the Banks, at the Payment Office. Interest on this Bank Note shall be calculated on the basis of a 365 or 366 day year and actual days elapsed. In the event that the obligations under this Bank Note are converted to a LIBOR Term Loan pursuant to the provisions of Article II of the Agreement, then the per annum rate of interest, the Interest Period, the amortization of principal, the interest and principal payment dates and other terms of such LIBOR Term Loan shall be determined in accordance with the provisions of Article II of the Agreement.

This Bank Note is one of a duly authorized issue of Port of Oakland, California Bank Notes of the Board (hereinafter called the "Bank Notes") of the series and designation indicated on the face hereof. Said authorized issue of Bank Notes consist of multiple series of varying denominations, dates, maturities, interest rates and other provisions, as in the Indenture hereinafter mentioned provided, all issued and to be issued pursuant to the provisions of Article VII of the Charter of the City of Oakland, California (hereinafter called the "Act"). This Bank Note is issued pursuant to a resolution of the Board, adopted _____, 1998, and a Trust Indenture dated as of October 1, 1998 (the "Indenture") by and between the Board and U.S. Bank Trust National Association, as Trustee (the "Trustee"), providing for the issuance of Commercial Paper Notes and Bank Notes.

Reference is hereby made to the Indenture for a description of the terms on which the Bank Notes are issued and to be issued, the provisions with regard to the nature and extent of the Available Pledged Revenues, as that term is defined in the Indenture, and the rights of the registered owners of the Bank Notes; and all the, terms of the Indenture are hereby incorporated herein and made a contract between the Board and the registered owner from time to time of this Bank Note, and to all the provisions thereof the registered owner of this Bank Note, by its acceptance hereof, consents and agrees. Additional series of Bank Notes may be issued on a parity with the Bank Notes of this authorized Series.

This Bank Note, including the interest hereon, together with all other Bank Notes, and the interest thereon, issued under the Indenture (and to the extent set forth in the Indenture), is payable from, and is secured by a pledge of and lien on, the Available Pledged Revenues derived by the Board from the Port (as those terms are defined in the Indenture).

The Bank Notes are special, limited obligations of the Board, shall be payable as to both principal and interest from, and shall be secured by a pledge of, lien on and security interest in all Available Pledged Revenues and all amounts in the funds and accounts created or maintained pursuant to the Indenture, the Issuing and Paying Agent Agreement or any Tax Certificate (except the Rebate Funds), including earnings on such amounts, subject only to the provisions of the Indenture and the Issuing and Paying Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein, which pledge, lien and security interest shall be junior and subordinate, first to the pledge of Pledged Revenues and the lien created thereon by the Senior Lien Indenture in favor of the Senior Lien Bonds, and second to the pledge of Pledged Revenues and the lien created thereon by the DBW Loans in favor of the Board's repayment obligations thereunder and by any Subordinate Revenue Bonds Indenture in favor of any Subordinate Revenue Bonds. Neither the faith and the credit nor the taxing power of the City of Oakland, the State of California, or any public agency, other than the Board to the extent of the Available Pledged Revenues, is pledged to the payment of the principal of, or interest on, this Bank Note. The Board has no power of taxation.

The Board, the Trustee and the Issuing and Paying Agent (as defined in the Indenture) may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Board, the Trustee and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Note, and in the issuing of this Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City of Oakland, California.

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

IN WITNESS WHEREOF, the Board of Port Commissioners of the City of Oakland, California has caused this Bank Note to be executed in its name and on its behalf by its President and attested by its Secretary, and the seal of said Port to be imprinted or reproduced by facsimile hereon, and this Bank Note to be dated as of the _____ day of _____, 1998.

BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND, CALIFORNIA

By: _____
President

Attested:

_____
Secretary of the Board

CERTIFICATE OF AUTHENTICATION

This is one of the Bank Notes described in the within-mentioned Indenture and registered this day of _____, _____.

U.S. Bank Trust National Association, as Issuing and Paying Agent

By _____
Authorized Signatory

EXHIBIT C

FORM OF SERIES ___ CONSTRUCTION FUND REQUISITION

Requisition No. ___

To: U.S. Bank Trust National Association
One California Street, Suite 400
San Francisco, California 94111
Attention: Corporate Trust Department

Re: Requisition of Funds from Port of Oakland, California
Commercial Paper Notes
Series ___ Construction Fund
[_____ **Subaccount]**

The amount requisitioned: $_____

Payment to be made to: _____

Manner in which payment is to be made: _____

The undersigned, an Authorized Board Representative within the meaning of the Trust Indenture (the "Indenture") dated as of October 1, 1998 between the Board of Port Commissioners of the City of Oakland (the "Board") and U.S. Bank Trust 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 Series ___ Construction Fund held under the Indenture and directs that payment be made in the manner described above.

[For Series A and Series B Projects only] The amount to be paid represents a cost of the Series ___ Project as described in a Tax Certificate of the Board and the amounts requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Certificate dated _____, 1998 and relating to the Series ___ Notes issued under the Indenture.

[For Series C Project only] The amount to be paid represents a cost of a Series C Project.

Dated: _____

BOARD OF PORT COMMISSIONERS OF THE
CITY OF OAKLAND, CALIFORNIA

By:_____
Authorized Board Representative

TRUST INDENTURE

By and Between

THE BOARD OF PORT COMMISSIONERS

OF THE

CITY OF OAKLAND, CALIFORNIA

and

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Trustee

Dated as of September 1, 1999

RELATING TO
PORT OF OAKLAND, CALIFORNIA
COMMERCIAL PAPER NOTES

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of September 1, 1999 (the "Trust Indenture"), is between the Board of Port Commissioners of the City of Oakland, California (the "Board") and U.S. Bank Trust National Association, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

WHEREAS, pursuant to Article VII of the Charter of the City of Oakland (the "Charter") the Board has been granted exclusive control and management of the department of the City of Oakland, California known as the Port Department (the "Port"); and

WHEREAS, Section 706(24) of the Charter provides that the Board may finance Port facilities through the issuance of bonds or other forms of debt instruments which are secured by a pledge of, or are payable from, all or any part of the revenues of the Port and/or which may be secured in whole or in part by interests, liens or other forms of encumbrance (other than in or on fee title in land) or leases in property; and

WHEREAS the Board has previously authorized the issuance of an amount outstanding of not to exceed $300 million (the "Authorized Amount") of Port of Oakland Commercial Paper Notes pursuant to Resolution No. 98375, adopted by the Board on September 15, 1998 (the "1998 Note Resolution"); and

WHEREAS on October 14, 1998 the Board provided for the issuance from time to time of up to $150 million of such Authorized Amount designated as "Port of Oakland, California Commercial Paper Notes, Series A" (AMT) and "Port of Oakland, California Commercial Paper Notes, Series B" (Non-AMT) and "Port of Oakland, California Commercial Paper Notes, Series C" (Taxable); and

WHEREAS, the Board wishes to provide in this Indenture for the issuance of the remainder of the Authorized Amount of its commercial paper notes in an amount of not to exceed $150 million to be designated as "Port of Oakland, California Commercial Paper Notes, Series D" (AMT) and "Port of Oakland, California Commercial Paper Notes, Series E" (Non-AMT) and "Port of Oakland, California Commercial Paper Notes, Series F" (Taxable); and

WHEREAS, the Board wishes to provide in this Indenture for the issuance and payment of such additional commercial paper notes, from time to time, and that such commercial paper notes be payable from and secured by the pledge of Available Pledged Revenues thereto, and the Trustee is willing to accept the trusts provided in this Indenture; and

NOW, THEREFORE, the Board and the Trustee agree as follows each for the benefit of the other and/or the benefit of holders of the commercial paper secured by this Indenture:

ARTICLE I

DEFINITIONS; GENERAL AUTHORIZATION; AND RATIFICATION

Section 1.01. Definitions. The following definitions shall, for all purposes of this Indenture and supplemental hereto, have the meanings herein specified unless the context clearly requires otherwise:

"Act" shall mean Article VII of the Charter, as amended from time to time, or any other article or section of the Charter in which the provisions relating to the Board and the Port may hereafter be set forth.

"Administrative Agent" means Bank of America, N.A., as administrative agent for the Banks and any successor administrative agent.

"Advances" means payments made by the Bank as a result of draws made on the Letter of Credit to pay principal of and interest on the Commercial Paper Notes.

"Authenticating Agent" means, with respect to any Series, each person or entity, if any, designated by the Board herein or in any Supplemental Indenture to manually sign the certificate of authentication on the Commercial Paper Notes, and its successors and assigns and any other person or entity which may at any time be substituted for it pursuant hereto. Initially, the Authenticating Agent shall be the Issuing and Paying Agent.

"Authorized Amount" means, as of any date of calculation, the lesser of (i) $300,000,000, less the principal amount of commercial paper notes issued under any indenture of the Board for which a letter of credit or other credit facility is then in effect, or (ii) the aggregate Principal Component (as defined in the Letter of Credit) then available under the Letter of Credit.

"Authorized Board Representative" shall mean the Executive Director, Deputy Executive Director, Chief Financial Officer of the Board or such other officer or employee of the Board or other person, which other officer, employee or person has been designated by the Board as an Authorized Board Representative by written notice delivered by the Executive Director, Deputy Executive Director or the Chief Financial Officer to the Trustee and Issuing and Paying Agent.

"Available Moneys" means moneys which are continuously on deposit with the Trustee or the Issuing and Paying Agent in trust for the benefit of the holders of the Commercial Paper Notes in a separate and segregated account in which only Available Moneys are held, which moneys constitute proceeds of (i) the Commercial Paper Notes received contemporaneously with the initial issuance and sale of the Commercial Paper Notes, (ii) a drawing under the Letter of Credit or payments otherwise made under a substitute Letter of Credit, (iii) refunding obligations or other funds for which the Trustee has received a written opinion of nationally recognized counsel experienced in bankruptcy matters and acceptable to an Authorized Board Representative and the Rating Agencies to the effect that payment of such moneys to the holders of the

Commercial Paper Notes would not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code if the Board were to become a debtor under the United States Bankruptcy Code or (iv) the investment of funds qualifying as Available Moneys under the foregoing clauses.

"Available Pledged Revenues" means "Pledged Revenues" as defined in the Senior Lien Indenture after payment therefrom first of all amounts required to be paid and then due and payable under the Senior Lien Indenture for principal, interest, reserve fund and any other debt service requirements or related obligations on the Senior Lien Bonds and second any debt service requirements then due and payable on the DBW Loans and all amounts required to be paid and then due and payable under any Subordinate Revenue Bonds Indenture for principal, interest, reserve fund and any other debt service requirements or related obligations on any Subordinate Revenue Bonds.

"Bank" or "Banks" means each of Bank of America, N.A. or Morgan Guaranty Trust Company of New York, which are issuing the initial Letter of Credit on a several basis, or any other entity that is the issuer of a Letter of Credit then outstanding and effective hereunder.

"Bank Note" means a note or notes issued by the Board pursuant to Section 5.01 hereof and evidencing all or any portion of any unreimbursed Advances made by a Bank and designated as "Port of Oakland, California Bank Notes (insert name of Bank)."

"Bank Note Account" means the Bank Note Debt Service Account established pursuant to Section 4.01(b)(3).

"Bank Note Payment Date" means a date on which principal of or interest on a Bank Note is due and payable, including both scheduled principal and interest and principal and interest payable upon prepayment of a Bank Note.

"Bank Rate" shall have the meaning assigned to that term in the Reimbursement Agreement.

"Board" shall mean the Board of Port Commissioners of the City of Oakland, California created under the provisions of the Act and any successor to its function.

"Bond Counsel" means an attorney or firm or firms of attorneys of national recognition selected or employed by the Board with knowledge and experience in the field of municipal finance.

"Business Day" means any day other than (i) a Saturday, Sunday or other day on which commercial banks in New York, New York, San Francisco, California or the city in which is located the office of either Bank at which demands for a draw on the Letter of Credit will be made, are authorized or required by law to close or (ii) a day on which the New York Stock Exchange is closed.

"Charter" shall mean the Charter of the City as amended from time to time.

"City" means the City of Oakland, California.

"Closing Date" means the date on which the Letter of Credit is issued by the Banks.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable United States Treasury Regulations proposed or in effect with respect thereto.

"Commercial Paper Bank Payment Account" or "Bank Payment Account" means the account by that name established pursuant to Section 4.01(b)(2).

"Commercial Paper Debt Service Account" or "Debt Service Account" means the account by that name established pursuant to Section 4.01(b)(1).

"Commercial Paper Notes" or "Notes" means notes of the Board with a maturity of not more than 270 days from the date of issuance and which are authorized to be issued and reissued from time to time under Article II of this Indenture and any Supplemental Indenture, including, without limitation, Commercial Paper Notes issued as Series D Notes, Series E Notes and Series F Notes.

"Construction Fund" means the fund by that name established pursuant to Section 4.01(a).

"Costs of Issuance" means all reasonable costs incurred by the Board in connection with the issuance of a Series, including, but not limited to:

(a) counsel fees related to the issuance of such Series (including bond counsel, Trustee's counsel and the Port Attorney);

(b) financial advisor fees incurred in connection with the issuance of such Series;

(c) rating agency fees;

(d) the initial fees and expenses of the Trustee and the Issuing and Paying Agent;

(e) accountant fees related to the issuance of such Series;

(f) printing and publication costs; and

(g) any other fee or cost incurred in connection with the issuance of such Series that constitutes an "issuance cost" within the meaning of Section 147(g) of the Code.

"DBW Loans" means loan agreements by and between the Board and the California Department of Boating and Waterways and any other evidences of indebtedness of the Board in

favor of the California Department of Boating and Waterways, whether now or hereafter in effect, providing the terms and conditions for the incurrence of indebtedness secured in whole or in part by Pledged Revenues and subordinate to the lien on and security interest granted in the Pledged Revenues pursuant to the Senior Lien Indenture, as the same may be amended and supplemented from time to time.

"Dealer" means Goldman, Sachs & Co. for so long as it is acting as a dealer for the Board with respect to the Notes, or any successor Dealer appointed pursuant to the Dealer Agreement, as approved by the Board.

"Dealer Agreement" means the Dealer Agreement dated as of October 1, 1998, by and between the Board and the Dealer, as amended and supplemented from time to time, and any such agreement with any successor Dealer.

"Debt Service Fund" means the fund by that name established pursuant to Section 4.01(b).

"Designated Representative" means the Executive Director, Deputy Executive Director, Chief Financial Officer of the Board and those additional individuals authorized pursuant to a resolution of the Board to complete and deliver Issuance Requests and who have been identified and whose signatures have been certified in a certificate of an Authorized Board Representative delivered to the Issuing and Paying Agent.

"DTC" means The Depository Trust Company, as Note Depository for one or more Series of Commercial Paper Notes, and its successors and assigns.

"Event of Default" means any one or more of those events set forth in Section 9.01 hereof, which Event of Default has not been cured.

"Expiration Date" means the date of expiration of the Letter of Credit then in effect.

"Fiscal Year" shall mean the period of time beginning on July 1 of each given year and ending on June 30 of the immediately subsequent year, or such other similar period as the Board designates as its fiscal year.

"Fitch" means Fitch IBCA, Inc., organized and existing under the laws of the State of Delaware, and its successors and assigns, or if such organization no longer maintains a rating on the Senior Lien Bonds or the Notes, as applicable, any other rating agency designated by the Board.

"Government Obligations" shall mean (1) United States Obligations (including obligations issued or held in book-entry form) and (2) Prerefunded municipal obligations meeting the following conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the trustee has been given irrevocable instructions concerning their calling and redemption and the issuer has covenanted not to redeem such obligations other than as set forth in such instructions; (b) the municipal obligations are secured by cash and/or United States

Obligations, which United States Obligations may be applied only to interest, principal and premium payments of such municipal obligations; (c) the principal of and interest on the United States Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations; (d) the United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee; (e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and (f) the municipal obligations are rated in their highest rating category by Moody's and by S&P if S&P then maintains a rating on such obligations.

"Indenture" means this Trust Indenture dated as of September 1, 1999 between the Board and the Trustee, as supplemented and amended from time to time.

"Insolvent" shall be used to describe the Trustee, the Issuing and Paying Agent, or other agent appointed hereunder or any Bank, if (a) such person shall have instituted proceedings to be adjudicated a bankrupt or insolvent, shall have consented to the institution of bankruptcy or insolvency proceedings against it, shall have filed a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other similar applicable Federal or state law, or shall have consented to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator or other similar official of itself or of any substantial part of its property, or shall fail to timely controvert an involuntary petition filed against it under the Federal Bankruptcy Code, or shall consent to the entry of an order for relief under the Federal Bankruptcy Code or shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due; or (b) a decree or order by a court having jurisdiction in the premises adjudging such person as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of such person under the Federal Bankruptcy Code or any other similar applicable Federal or state law or for relief under the Federal Bankruptcy Code after an involuntary petition has been filed against such person, or appointing a receiver, liquidator, assignee, trustee or sequestrator or other similar official of such person or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, shall have been entered and shall have continued unabated and in effect for a period of 90 consecutive days.

"Interest Advances" means Advances drawn and used to pay interest on Commercial Paper Notes.

"Interest Component" shall have the meaning assigned thereto in the Letter of Credit.

"Investment Agreement" shall mean an investment agreement or guaranteed investment contract with entities which maintain the following credit and collateral requirements: (a) if a corporation, they are initially rated "Aaa" by Moody's and "AAA" by S&P, if a domestic bank, they are initially rated Thomson "B/C" or better, and if a foreign bank, they are initially rated Thomson "B" or better, (b) if credit quality reaches Moody's "Aa3" or S&P "AA" for corporations, Thomson "B/C" for domestic banks, and Thomson "B" for foreign banks, provider (1) will respond with adequate collateralization within ten (10) business days, (2) will value assets weekly, and (3) will present collateral at 102% on Government Obligations and 105% on

obligations described in item (2) of the definition of Permitted Investments; (c) provider must maintain minimum credit quality of Moody's "A2" or S&P "A" for corporations, Thomson "C" for domestic banks, or Thomson "B/C" for foreign banks; (d) investment agreement will be terminated if credit ratings reach Moody's "A3" or S&P "A-" for corporations, Thomson "C/D" for domestic banks and Thomson "C" for foreign banks.

"Issuance Request" means a request made by the Board, acting through a Designated Representative, to the Issuing and Paying Agent for the delivery of a Commercial Paper Note or Commercial Paper Notes.

"Issuing and Paying Agent" means U.S. Bank Trust National Association in New York, New York, or any successor or assigns permitted under the Issuing and Paying Agent Agreement or any other Issuing and Paying Agent which is appointed by the Board and has entered into an Issuing and Paying Agent Agreement.

"Issuing and Paying Agent Agreement" means the Issuing and Paying Agent Agreement, dated as of September 1, 1999, between the Board and the Issuing and Paying Agent, and any and all modifications, alterations, amendments and supplements thereto, or any other Issuing and Paying Agent Agreement entered into by the Board and the Issuing and Paying Agent with respect to the Commercial Paper Notes.

"Letter of Credit" means the direct-pay irrevocable Letter of Credit issued by the Banks to the Issuing and Paying Agent on or prior to the date of issuance of the first Commercial Paper Note and any substitute letter of credit accepted by the Issuing and Paying Agent as provided in Section 10.01 hereof.

"Maximum Rate" means twelve percent (12%) per annum.

"Moody's" means Moody's Investors Service, a corporation existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Moody's" means any other nationally recognized rating agency designated by the Board.

"No-Issuance Notice" shall have the meaning assigned thereto in the Reimbursement Agreement.

"Nominee" means the nominee of the Note Depository as determined from time to time in accordance with this Indenture or any other Supplemental Indenture for any one or more Series of Commercial Paper Notes.

"Note Depository" means the securities depository for a Series of Commercial Paper Notes appointed as such pursuant to Section 2.05, and its successors and assigns.

"Noteholder," "holder," "owner," or "registered owner" means the person in whose name any Note or Notes are registered on the books maintained by the Registrar or Trustee.

"Note Proceeds" means proceeds of the sale of the Commercial Paper Notes or any moneys, securities or other obligations that may be deemed to be proceeds of the Commercial Paper Notes within the meaning of the Code.

"Original Commercial Paper Indenture" means that certain Trust Indenture dated as of October 1, 1998 between and Board and the Trustee, as the same may be amended and supplemented from time to time.

"Outstanding" when used with respect to Notes shall mean all Notes which have been authenticated and delivered under this Indenture, except:

(a) Notes cancelled or purchased by the Issuing and Paying Agent for cancellation or delivered to or acquired by the Issuing and Paying Agent for cancellation and, in all cases, with the intent to extinguish the debt represented thereby;

(b) Notes in lieu of which other Notes have been authenticated under Section 2.07, 2.08 or 2.09;

(c) Notes that have become due (at maturity or on redemption, acceleration or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held by the Issuing and Paying Agent or Trustee;

(d) Notes which, under the terms of this Indenture, are deemed to be no longer Outstanding; and

(e) for purposes of any consent or other action to be taken by the holders of a specified percentage of Notes under this Indenture, Notes held by or for the account of the Board or by any person controlling, controlled by or under common control with the Board.

"Parity Notes" means any evidences of indebtedness of the Board issued or incurred and at any time outstanding pursuant to the Original Commercial Paper Indenture, this Indenture or any respective Supplemental Indenture on a parity with the Notes and Bank Notes.

"Permitted Investments" shall mean any of the following:

(1) Government Obligations;

(2) Obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following instrumentalities or agencies of the United States of America: Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Financing Bank; Government National Mortgage Association; Federal National Mortgage Association; Student Loan Marketing Association; Federal Farm Credit Bureau; Farmers Home Administration; Federal Home Loan Mortgage Corporation; and Federal Housing Administration.

(3) Direct and general long-term obligations of any state, which obligations are rated in either of the two highest rating categories by Moody's and by S&P if S&P then maintains a rating on such obligations;

(4) Direct and general short-term obligations of any state which obligations are rated in the highest rating category by Moody's and by S&P if S&P then maintains a rating on such obligations;

(5) Interest-bearing demand or time deposits (including certificates of deposit) or interests in money market portfolios issued by state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation ("FDIC"), which deposits or interests must either be (a) continuously and fully insured by FDIC and with banks that are rated at least "P-1" or "Aa" by Moody's and at least "A-1" or "AA" by S&P if such banks are then rated by S&P or (b) fully secured by United States Obligations (i) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at least equal to the principal amount of the deposits or interests, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or depositary acceptable to the Trustee, (iii) subject to a perfected first lien in the Trustee, and (iv) free and clear from all third-party liens;

(6) Long-term or medium-term corporate debt guaranteed by any corporation that is rated by both Moody's and S&P in either of their two highest rating categories;

(7) Repurchase agreements which are (a) entered into with banks or trust companies organized under state law, national banking associations, insurance companies or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and which either are members of the Security Investors Protection Corporation or with a dealer or parent holding company that has an investment grade rating from Moody's and from S&P if S&P then maintains a rating on such institution and (b) fully secured by investments specified in Section (1) or (2) of this definition of Permitted Investments (i) which are valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreements, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien in the Trustee and (iv) free and clear from all third-party liens;

(8) Prime commercial paper of a United States corporation, finance company or banking institution rated at least "P-1" by Moody's and at least "A-1" by S&P if S&P then maintains a rating on such paper;

(9) Shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940, as amended) or shares in a regulated investment company (as defined in Section 851(a) of the Code) that is (a) a money market fund that has been rated in one of the two highest rating categories by Moody's

or S&P or (b) a money market fund or account of the Trustee or any state or federal bank that is rated at least "P-1" or "Aa" by Moody's if Moody's then maintains a rating on such bank and at least "A-1" or "AA" by S&P if S&P then maintains a rating on such bank or whose one bank holding company parent is rated at least "P-1" or "Aa" by Moody's if Moody's then maintains a rating on such holding company and "A-1" or "AA" by S&P if S&P then maintains a rating on such holding company or that has a combined capital and surplus of not less than $50,000,000;

(10) Investment Agreements; and

(11) Any other type of investment in which the Board directs the Trustee to invest provided that there is delivered to the Trustee a certificate of an Authorized Board Representative stating that each of the Rating Agencies then maintaining a rating on the Series has been informed of the proposal to invest in such investment and each of such Rating Agencies has confirmed that such investment will not adversely affect the rating then assigned by such Rating Agency to any Series.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Port" or "Port of Oakland" means all facilities and property, real or personal, wherever located, under the jurisdiction or control of the Board or in which the Board has other rights or from which the Board derives revenues.

"Port Attorney" shall mean legal counsel to the Board and staff of the Port who otherwise acts as provided for in Section 706(20) of the Act.

"Port Revenue Fund" means that fund created by and existing pursuant to Section 717(3) of the Charter or any successor provision.

"Principal Advances" means Advances drawn and used to pay principal on Commercial Paper Notes.

"Principal Office" means the principal office of the Issuing and Paying Agent, for purposes of performing its duties under this Indenture, designated in writing to an Authorized Board Representative.

"Project" means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Board, as from time to time amended, as being financed in whole or in part with the proceeds of the Notes and which is acquired, constructed, reconstructed, improved, expanded, or otherwise financed or refinanced, with proceeds of the sale of the Notes.

"Rating Agency" means, so long as it is rating a Series, (i) Standard & Poor's, (ii) Fitch or (iii) any other nationally recognized credit rating agency specified in a Supplemental

Indenture.

"Rebate Fund" shall mean any fund required to be maintained by the Board pursuant to a Tax Certificate in connection with the issuance of the Notes or any Series of Notes for the purpose of complying with the Code and providing for the collection and holding for and payment of amounts to the United States of America.

"Registrar" means, with respect to any Series, each person or entity, if any, designated by the Board herein or in any Supplemental Indenture to keep a register of any Series and of their transfer and exchange, and its successors and assigns and any other person or entity which may at any time be substituted for it pursuant hereto.

"Reimbursement Agreement" means the Letter of Credit and Reimbursement Agreement, dated as of September 1, 1999, by and among the Board and the Banks, and any and all modifications, alterations, amendments and supplements thereto and any similar document entered into with respect to a subsequent Letter of Credit.

"Representation Letter" means the Blanket Issuer Letter of Representations from the Board and the Issuing and Paying Agent to DTC with respect to a Series.

"Responsible Officer" means an officer or assistant officer of the Trustee assigned by the Trustee to administer this Indenture.

"Senior Lien Bonds" means any "Bond" issued or incurred pursuant to Article II of the Senior Lien Indenture.

"Senior Lien Indenture" means the Trust Indenture dated as of April 1, 1989 between the Board and U.S. Bank Trust National Association, formerly known as First Trust of California National Association, together with all outstanding supplemental indentures thereto, as the same may be amended and further supplemented from time to time.

"Series" means a series of Commercial Paper Notes issued pursuant to this Indenture (i.e., Series D Notes, Series E Notes or Series F Notes) in an aggregate amount up to the full Authorized Amount regardless of when or whether issued, unless portions thereof are, by Supplemental Indenture, designated as separate Series.

"Series D Notes" means the "Port of Oakland, California Commercial Paper Notes, Series D (AMT)," issued under this Indenture.

"Series D Project" means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Board as being financed or refinanced in whole or in part with the proceeds of Series D Notes and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed or refinanced with proceeds of the sale of Series D Notes.

"Series E Notes" means the "Port of Oakland, California Commercial Paper Notes,

Series E (Non-AMT)," issued under this Indenture.

"Series E Project" means any undertaking, facility or item which is listed or otherwise described in a Tax Certificate of the Board being financed or refinanced in whole or in part with the proceeds of the Series E Notes and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed or refinanced with proceeds of the sale of Series E Notes.

"Series F Notes" means the "Port of Oakland, California Commercial Paper Notes, Series F (Taxable)," issued under this Indenture.

"Series F Project" means any undertaking, facility or item, other than any undertaking facility or item which is listed or otherwise described in a Tax Certificate of the Board, being financed or refinanced in whole or in part with the proceeds of the Series F Notes and which is acquired, constructed, reconstructed, improved, expanded or otherwise financed or refinanced with proceeds of the sale of Series F Notes.

"Standard & Poor's" or "S & P" means Standard & Poor's, A Division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns and, if such corporation shall no longer perform the functions of a securities rating agency, "Standard & Poor's" or "S & P" shall mean any other nationally recognized securities rating agency designated by the Board.

"State" means the State of California.

"Stated Amount" means the Stated Amount as defined in the Letter of Credit.

"Subordinate Revenue Bonds" means any bond or other indebtedness of the Board hereafter issued or incurred, and secured in whole or in part by Pledged Revenues, pursuant to a Subordinate Revenue Bonds Indenture. In connection with any Subordinate Revenue Bonds with respect to which an interest rate swap is in effect or proposes to be in effect, the term "Subordinate Revenue Bonds" may include, collectively, both such Subordinate Revenue Bonds and either such interest rate swap or the obligations of the Board under such interest rate swap, as the context requires.

"Subordinate Revenue Bonds Indenture" means any indenture or agreement of the Board, whether now or hereafter in effect, providing the terms and conditions for the issuance or incurrence of indebtedness secured in whole or in part by Pledged Revenues and subordinate to the lien on and security interest granted in the Pledged Revenues pursuant to the Senior Lien Indenture but which is stated by its terms to be superior in right to payment of the Commercial Paper Notes, as the same may be amended and further supplemented from time to time.

"Supplemental Indenture" means any document supplementing or amending this Indenture or providing for the issuance of a Series of Notes and entered into as provided in Article XI of this Indenture.

"Tax Certificate" means a certificate, as amended from time to time, executed and

delivered on behalf of the Board by a Designated Representative on the date upon which a Series is initially issued and delivered, or any functionally equivalent certificate subsequently executed and delivered on behalf of the Board by a Designated Representative with respect to the requirements of Section 148 (or any successor section) of the Code relating to a Series.

"Termination Date" means the sixteenth day prior to the Expiration Date.

"Total Commitment" means the original Stated Amount of the Letter of Credit without giving effect to any reductions on account of drawings thereunder.

"Trustee" shall mean the entity named as such in the heading of this Indenture until a successor replaces it and, thereafter, means such successor.

"United States Obligations" shall mean direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including, with respect only to direct and general obligations and not to guaranteed obligations, evidences of ownership of proportionate interests in future interest and/or principal payments of such obligations, provided that investments in such proportionate interests must be limited to circumstances wherein (1) a bank or trust company acts as custodian and holds the underlying United States Obligations; (2) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States Obligations; and (3) the underlying United States Obligations are held in a special account separate from the custodian's general assets and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated.

Section 1.02. General Authorization. The appropriate officers, agents and employees of the Board are each hereby authorized and directed for and in the name and on behalf of the Board to take all actions and to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of one or more Series of Commercial Paper Notes or Bank Notes in accordance with the provisions hereof.

Section 1.03. Interpretation. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE COMMERCIAL PAPER NOTES

Section 2.01. Authorized Amount of Commercial Paper Notes; Terms and Description of Commercial Paper Notes.

(a) No Commercial Paper Notes may be issued under the provisions of this Indenture except in accordance with this Article.

(b) The Board hereby authorizes the issuance of its Notes to be designated "Port of Oakland, California Commercial Paper Notes, Series D" (AMT) and "Port of Oakland, California Commercial Paper Notes, Series E" (Non-AMT) and "Port of Oakland, California Commercial Paper Notes, Series F" (Taxable) subject to the provisions of this Section 2.01 and as hereinafter provided. The Series D Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series D Projects, the Series E Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series E Projects and the Series F Notes shall be issued from time to time as provided herein to finance and refinance the cost of Series F Projects. Proceeds of Commercial Paper Notes issued to refinance other Commercial Paper Notes may be used to pay or to reimburse the Banks for Advances used to pay principal or interest due on such maturing Commercial Paper Notes, *provided, however,* that proceeds of Series D Notes may only be used to pay or to reimburse a Bank for Advances used to pay principal or interest due on Series D Notes, proceeds of Series E Notes may only be used to pay or to reimburse a Bank for Advances used to pay principal or interest due on Series E Notes, and proceeds of Series F Notes may only be used to pay or to reimburse a Bank for Advances used to pay principal or interest due on Series F Notes. Such authorization specifically includes the authorization to issue and reissue Commercial Paper Notes for such purposes. The aggregate principal amount of Commercial Paper Notes that may be Outstanding at any one time hereunder shall not at any time exceed the Authorized Amount. At no time shall the aggregate amount of interest payable on the Outstanding Commercial Paper Notes exceed the Interest Component then available under the Letter of Credit.

(c) The Commercial Paper Notes shall be dated the date of their respective authentication and issuance; shall be issued in bearer or registered form, as shall be determined by the Designated Representative, shall be issued in denominations of $100,000 and in integral multiples of $1,000 in excess thereof. Commercial Paper Notes shall bear interest from their respective dated dates, payable on their respective maturity dates.

(d) Series D and Series E Notes (i) shall bear interest payable at maturity at an annual rate (calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed), which shall not in any event exceed the Maximum Rate, (ii) shall mature on a Business Day not more than 270 days after their respective dated dates, but in no event later than the Termination Date, and (iii) shall be sold by the Dealer pursuant to a Dealer Agreement at a price of not less than 100% of the principal amount thereof. Series F Notes (i) shall accrete interest payable at maturity at an imputed annual yield (calculated on the basis of a year consisting of 360 days and actual number of days elapsed) which shall not in any event exceed the Maximum Rate, (ii) shall mature on a Business Day not more than 270 days after their dated dates, but in no event later than the Termination Date, and (iii) shall be sold by the Dealer pursuant to a Dealer Agreement without coupons at a discounted price designed to produce an imputed yield to maturity at or below the prevailing market yield on comparable taxable commercial paper notes at the time of sale. The stated interest rate or yield, maturity date and other terms of each Commercial Paper Note, so long as not inconsistent with the terms of this Indenture, shall be as set forth in the Issuance Request required by Section 2.06 hereof directing the issuance of

such Commercial Paper Note.

(e) The Commercial Paper Notes shall not be subject to redemption prior to maturity.

(f) The Series D Notes, the Series E Notes and the Series F Notes shall be numbered in such manner as the Issuing and Paying Agent may deem appropriate.

(g) Commercial Paper Notes which are issued to finance or refinance Series D Projects shall be designated as Series D Notes. Commercial Paper Notes which are issued to finance or refinance Series E Projects shall be designated as Series E Notes. Commercial Paper Notes which are issued to finance or refinance Series F Projects shall be designated as Series F Notes. Successive tranches of each Series shall be designated as the related Series designation followed by "___-1," "___-2," "___-3," etc.

Section 2.02. Payment. The Board covenants to duly and punctually pay or cause to be paid from Available Pledged Revenues, the principal of and interest on each and every Commercial Paper Note when due. To the extent Advances made by the Banks for the purpose of paying principal of and interest on maturing Commercial Paper Notes, together with Note Proceeds from Commercial Paper Notes issued on such date, are insufficient to pay principal of and interest on maturing Commercial Paper Notes, the Board will make all payments of interest and principal directly to the Issuing and Paying Agent in immediately available funds on or prior to 11:15 a.m., Los Angeles time, on the date payment is due on any Commercial Paper Note. To the extent principal of and/or interest on Commercial Paper Notes is paid with an Advance, the Issuing and Paying Agent is authorized and directed to use amounts paid by the Board to reimburse the Banks. The principal of and the interest on the Commercial Paper Notes shall be paid in Federal or other immediately available funds in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal of and the interest on the Commercial Paper Notes shall be payable at the Principal Office of the Issuing and Paying Agent on or before the close of business on any Business Day upon which such Commercial Paper Notes have become due and payable provided that such Commercial Paper Notes are presented and surrendered on a timely basis. Upon presentation of such a Commercial Paper Note to the Issuing and Paying Agent no later than 12:00 Noon (Los Angeles time) on a Business Day, payment for such Commercial Paper Note shall be made by the Issuing and Paying Agent in immediately available funds on such Business Day. If a Commercial Paper Note is presented for payment after 12:00 Noon (Los Angeles time) on a Business Day, payment therefor may be made by the Issuing and Paying Agent on the next succeeding Business Day without the accrual of additional interest thereon.

Notwithstanding the provisions of the previous paragraph, in the event the Notes are issued as a master note or master notes in book-entry form, they shall be payable at maturity without physical presentation or surrender in accordance with the procedures of the Note Depository.

Section 2.03. Execution and Authentication of Commercial Paper Notes. The Notes, in

certificated form, will be signed for the Board as provided in the resolution authorizing such Notes. In case any officer whose signature or whose facsimile signature shall appear on any Notes shall cease to be such officer before the authentication of such Notes, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until authentication. Also, if a person signing a Note is the proper officer on the actual date of execution, the Note will be valid even if that person is not the proper officer on the nominal date of action and even though, at the date of this Indenture, such person was not such officer.

The Issuing and Paying Agent is, by this Indenture, designated by the Board as the Authenticating Agent and Registrar for the Commercial Paper Notes in accordance with the terms of Section 7.01 hereof. Notwithstanding anything herein to the contrary, the Issuing and Paying Agent shall not authenticate Commercial Paper Notes which mature later than the Termination Date, and the Issuing and Paying Agent shall not authenticate Commercial Paper Notes if an Event of Default then exists of which it has actual knowledge or the Issuing and Paying Agent has received a No-Issuance Notice.

If any Commercial Paper Notes are to be issued in bearer form, the Board shall from time to time furnish the Issuing and Paying Agent with an adequate supply of Commercial Paper Notes, each of which shall have attached such number of carbon copies as the Issuing and Paying Agent shall reasonably specify. When any Commercial Paper Notes are delivered to the Issuing and Paying Agent by the Board, the Issuing and Paying Agent shall execute and deliver to the Board a receipt therefor and shall hold such Commercial Paper Notes for the account of the Board in safekeeping in accordance with its customary practice.

Section 2.04. Forms of Commercial Paper Notes and Authentication Certificate. The definitive Series D Notes, Series E Notes and Series F Notes and the Certificate of Authentication endorsed thereon shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as shall be required or appropriate in order to accomplish the purposes of the transactions authorized by this Indenture.

The Commercial Paper Notes shall contain a statement to the following effect:

> *Neither the faith and the credit nor the taxing power of the City of Oakland, the State of California or any public agency, other than the Port of Oakland to the extent of the Available Pledged Revenues, is pledged to the payment of the principal of, or interest on, this Note. The Port of Oakland has no power of taxation.*

Section 2.05. Book-Entry System. Unless an Authorized Board Representative or his designee determines that a Series of Commercial Paper Notes shall be issued in bearer form or registered form other than in book-entry form, the Commercial Paper Notes shall initially be issued in book-entry form as further provided in this Section 2.05.

(a) The Notes issued pursuant to this Indenture shall initially be issued in the form of a separate single fully-registered Note for each Series of the Commercial Paper Notes. Except as provided in subsection (c) of this Section 2.05, all of the Commercial Paper Notes shall be registered in the name of the Nominee. Notwithstanding any provision to the contrary in Section 2.06, so long as the Notes remain in the form of one or more master notes in book-entry form, the issuance of Notes pursuant to an Issuance Request against payment therefor shall not require the physical delivery of note certificates.

The Trustee, the Issuing and Paying Agent and the Board may treat the registered owner of each Note as the sole and exclusive owner thereof for the purposes of payment of the principal of or interest on the Series of Notes to which such Note belongs, giving any notice permitted or required to be given to Noteholders hereunder, registering the transfer of Notes, obtaining any consent or other action to be taken by Noteholders, and for all other purposes whatsoever, and neither the Trustee, the Issuing and Paying Agent nor the Board shall be affected by any notice to the contrary.

Neither the Trustee, the Issuing and Paying Agent nor the Board shall have any responsibility or obligation to any participant in the Note Depository (a "Participant"), any person claiming a beneficial ownership interest in the Commercial Paper Notes under or through the Note Depository or any Participant, or any other person who is not shown on the registration books as being a Noteholder, with respect to (i) the accuracy of any records maintained by the Note Depository or any Participant; (ii) the payment by the Note Depository or any Participant of any amount in respect of the principal of or interest on the Commercial Paper Notes; (iii) the delivery of any notice which is permitted or required to be given to Noteholders hereunder; (iv) any consent given or other action taken by the Note Depository as Noteholder; or (v) any other purpose.

The Issuing and Paying Agent shall pay all principal of and interest on the Commercial Paper Notes only to or upon the order of the Note Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to the payment of the principal of and interest on the Commercial Paper Notes to the extent of the sum or sums so paid. Upon delivery by the Note Depository to the Issuing and Paying Agent of written notice to the effect that the Note Depository has determined to substitute a new Nominee in place of the current Nominee, and subject to the provisions herein with respect to record dates, the word Nominee in this Article II shall refer to such new Nominee.

(b) In order to qualify each Series of Commercial Paper Notes for the Note Depository's book-entry system, an Authorized Board Representative is hereby authorized to execute, seal, countersign and deliver on behalf of the Board to the Note Depository for each Series of Commercial Paper Notes, a Representation Letter from an Authorized Board Representative representing such matters as shall be necessary to so qualify the Commercial Paper Notes. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section 2.05 or in any other way impose upon the Board any obligation whatsoever with respect to persons having beneficial ownership interests in the Commercial

Paper Notes other than the Noteholders.

(c) (1) The Note Depository may determine to discontinue providing its services with respect to a Series of Commercial Paper Notes at any time by giving reasonable written notice to an Authorized Board Representative, the Trustee and the Issuing and Paying Agent and discharging its responsibilities with respect thereto under applicable law.

(2) An Authorized Board Representative, exercising the sole discretion of the Board and without the consent of any other person, may terminate, upon provision of notice to the Note Depository, the Trustee and the Issuing and Paying Agent, the services of the Note Depository with respect to a Series of Commercial Paper Notes if the Authorized Board Representative determines, on behalf of the Board, that the continuation of the system of book-entry only transfers through the Note Depository (or a successor securities depository) is not in the best interests of the owners of a Series of Commercial Paper Notes or is burdensome to the Port, and shall terminate the services of the Note Depository with respect to a Series of Commercial Paper Notes upon receipt by the Board, the Trustee and the Issuing and Paying Agent of written notice from the Note Depository to the effect that the Note Depository has received written notice from Direct Participants (as defined in the Representation Letter) having interests, as shown in the records of the Note Depository, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then outstanding Notes to the effect, that: (i) the Note Depository is unable to discharge its responsibilities with respect to such Series of Commercial Paper Notes, or (ii) a continuation of the requirement that all of the outstanding Notes be registered in the registration books kept by the Issuing and Paying Agent in the name of the Nominee of the Note Depository, is not in the best interest of the Noteholders of such Series of Commercial Paper Notes.

(3) Upon the termination of the services of the Note Depository with respect to a Series of Commercial Paper Notes pursuant to subsection (c)(1) or (c)(2) hereof, after which no substitute Note Depository willing to undertake the functions of the Note Depository hereunder can be found or which, in the opinion of the Board, is willing and able to undertake such functions upon reasonable and customary terms, a Series of Commercial Paper Notes shall no longer be restricted to being registered in the registration books kept by the Note Registrar in the name of the Nominee of the Note Depository. In such event, the Board shall issue and the Issuing and Paying Agent shall transfer and exchange Note certificates as requested by the Note Depository or Direct Participants of like principal amount, Series and maturity, in denominations of $100,000 and in integral multiples of $1,000 in excess thereof, to the identifiable Noteholder in replacement of such Noteholder's beneficial interests in a Series of Commercial Paper Notes.

(d) Notwithstanding any provision hereof to the contrary, so long as the Commercial Paper Notes of any Series are registered in the name of the Nominee, all payments with respect

to principal of and interest on the Commercial Paper Notes of such Series and all notices with respect to the Commercial Paper Notes of such Series shall be made and given, respectively, as provided in the Representation Letter for the related Series of Notes or as otherwise instructed by the Note Depository.

(e) The initial Note Depository with respect to each Series of Commercial Paper Notes shall be DTC. The initial Nominee with respect to each Series of Commercial Paper Notes shall be CEDE & CO., as nominee of DTC.

Section 2.06. Conditions Precedent to Delivery of Commercial Paper Notes.

(a) Prior to the issuance of the first Commercial Paper Notes hereunder, Commercial Paper Notes of each initial Series shall be executed on behalf of the Board and delivered to the Issuing and Paying Agent, who shall hold such Commercial Paper Notes unauthenticated in safekeeping for the Board. Subject to the provisions of Sections 2.01 and 2.05 hereof and paragraphs (c) and (d) of this Section 2.06, at any time and from time to time prior to the Termination Date, Commercial Paper Notes shall be manually authenticated and delivered by the Issuing and Paying Agent for the consideration and in the manner hereinafter provided, but only upon receipt by the Issuing and Paying Agent of an Issuance Request, no later than 8:30 a.m. (Los Angeles time) on the Business Day on which Commercial Paper Notes are to be delivered, directing the Issuing and Paying Agent to authenticate the Commercial Paper Notes referred to therein and to deliver the same to or upon the order of the Dealer. Each Issuance Request shall include: (i) the principal amount and date of each Commercial Paper Note then to be delivered; (ii) the rate and amount of interest thereon; (iii) the maturity date thereof; and (iv) the Series designation of such Notes. No later than 11:30 a.m. (Los Angeles time) on each Business Day on which the Board proposes to issue Commercial Paper Notes, the Dealer shall report to the Board each transaction made with or arranged by it or shall notify the Board and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Notes of a Series and the amount of Notes of a Series which the Dealer has arranged to sell or has agreed to purchase.

Upon receipt of such Issuance Request (which may be transmitted by mail, telecopy or other electronic communications method, or by telephone, promptly confirmed in writing by 11:00 a.m. Los Angeles time), the Issuing and Paying Agent shall, by 1:00 p.m. (Los Angeles time) on such day, complete each Series D Note, each Series E Note and each Series F Note or other Series then to be delivered as to amount, date, maturity date, interest rate and interest amount specified in such Issuance Request, and deliver each such Commercial Paper Note to or upon the order of the Dealer upon receipt of payment therefor; provided, however, that no such Commercial Paper Notes shall be delivered by the Issuing and Paying Agent if such delivery would cause the aggregate principal amount of Commercial Paper Notes Outstanding to exceed the Authorized Amount, or would cause the aggregate amount of interest payable at maturity on Outstanding Commercial Paper Notes to exceed the Interest Component then available under the Letter of Credit, or would cause the principal amount of Bank Notes plus the principal amount of Commercial Paper Notes and interest to accrue thereon until maturity to exceed the Total

Commitment. Notwithstanding any provision herein to the contrary, no such Commercial Paper Notes of any Series shall be delivered by the Issuing and Paying Agent if (A) it shall have received notice from an Authorized Board Representative directing the Issuing and Paying Agent to cease authenticating and delivering Commercial Paper Notes until such time as such direction is withdrawn by similar notice, (B) it shall have actual knowledge that an Event of Default shall have occurred and be continuing, (C) it shall have received notice from Bond Counsel that its opinion regarding the exclusion of interest on the Notes of such issue or Series (issued as tax-exempt Notes) from the gross income for Federal income tax purposes of the holders thereof is being withdrawn, (D) the maturity date of such Commercial Paper Notes would extend beyond the Termination Date or (E) the Trustee and the Issuing and Paying Agent shall have received a No-Issuance Notice. If an Issuance Request is received after 8:30 a.m. (Los Angeles time) on a given day, the Issuing and Paying Agent shall not be obligated to deliver the requested Commercial Paper Notes until the next succeeding Business Day.

The Board shall, upon a change in the identity of any Designated Representative, provide a Certificate for each new Designated Representative to the Issuing and Paying Agent.

A copy of each Commercial Paper Note authenticated in bearer form by the Issuing and Paying Agent shall be promptly transmitted by facsimile and thereafter mailed by first class United States mail, postage prepaid, to the Board and the Trustee by the Issuing and Paying Agent. The Issuing and Paying Agent shall furnish the Board with such additional information with respect to the carrying out of its duties hereunder as the Board from time to time shall reasonably request.

(b) In addition to the Issuance Request described above in this Section 2.06, and as a further condition to the issuance of any Commercial Paper Notes, the Designated Representative shall certify to or instruct, for and on behalf of the Board, the Issuing and Paying Agent that, as of the date of delivery of such Commercial Paper Notes, (i) the Letter of Credit is in full force and effect; (ii) after the issuance of such Commercial Paper Notes and the application of the proceeds thereof, the aggregate principal amount of Commercial Paper Notes Outstanding will not exceed the Authorized Amount as provided in Section 2.01(b) hereof; (iii) the interest rate or rates borne by the Commercial Paper Notes to be delivered on such date do not exceed the lesser of the Maximum Rate or the rate used in calculating the Interest Component of the Letter of Credit, (iv) unless interest on the Commercial Paper Notes to be issued is to be taxable, to the Board's knowledge there has been no change in the facts, estimates, circumstances and representations of the Board set forth or made (as the case may be) in the Tax Certificate (applicable to such Commercial Paper Notes); (v) the terms of the Commercial Paper Notes do not exceed 270 days and the maturity dates of such Commercial Paper Notes set forth in the Issuance Request do not extend beyond the Termination Date; (vi) the Board has not been notified by Bond Counsel that its opinion with respect to the validity of the Commercial Paper Notes and, unless interest on the Notes is to be taxable, the tax treatment of the interest thereon has been revised or withdrawn or, if any such revision or withdrawal has occurred, the revised opinion or a substitute opinion acceptable to the Dealer has been delivered; (vii) to the actual knowledge of the Board no Event of Default has occurred and is then

continuing; (viii) the Note Proceeds shall be deposited into the Bank Payment Account or into the Construction Fund pursuant to Section 4.02 hereof in the amounts specified by the Designated Representative; (ix) the interest payable at maturity on the Outstanding Commercial Paper Notes does not exceed the Interest Component then available under the Letter of Credit; and (x) all of the conditions precedent to the issuance of such Commercial Paper Notes set forth in this Section 2.06 of this Indenture have been satisfied.

The delivery of any Issuance Request to the Issuing and Paying Agent by a Designated Representative in the manner provided in this Section shall constitute the certification and representation of the Board as of the date of such Issuance Request as to the matters set forth in the immediately preceding paragraph.

(c) Any Issuance Request made by telephone pursuant to this Section may be recorded by the Issuing and Paying Agent and shall be confirmed promptly in writing by a Designated Representative, provided, however, that any conflict between any recorded oral Issuance Request and the written confirmation thereof, shall not affect the validity of any recorded oral Issuance Request received by the Issuing and Paying Agent as provided herein. If the Issuing and Paying Agent does not record an oral Issuance Request, and a conflict exists between such oral Issuance Request and the written confirmation thereof, the terms of the written confirmation shall control.

(d) Prior to the initial delivery of the Commercial Paper Notes under this Indenture and as a condition to such initial issuance, the Trustee and the Board shall be notified by the Issuing and Paying Agent that the Issuing and Paying Agent has received:

(i) A fully executed counterpart of the Reimbursement Agreement;

(ii) The executed Letter of Credit;

(iii) The opinions of the United States counsel (and foreign counsel if the Bank is a United States branch or agency of a bank organized under the laws of a country other than the United States) to each Bank, addressed to the Board, the Issuing and Paying Agent and the Trustee, to the effect that the Letter of Credit and the Reimbursement Agreement are valid and legally binding obligations of each Bank, enforceable in accordance with their terms; and

(iv) A fully executed counterpart of the Dealer Agreement.

Section 2.07. Commercial Paper Notes. The Board and the Issuing and Paying Agent may deem and treat the bearer of Notes in bearer form or the registered owner of Notes in registered form as the absolute owner thereof (whether or not such Commercial Paper Note shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuing and Paying Agent) for the purpose of receiving payment thereof or on account thereof and for all other purposes, and neither the Board nor the Issuing and Paying Agent shall be affected by any notice to the contrary.

Section 2.08. Mutilated, Lost, Stolen or Destroyed Notes.

(a) In the event any Commercial Paper Note is mutilated or defaced but identifiable by number and description, the Board shall execute and the Authenticating Agent shall authenticate and deliver a new Note of like Series, date, maturity and denomination as such Note, upon surrender thereof to the Issuing and Paying Agent; provided that there shall first be furnished to the Issuing and Paying Agent clear and unequivocal proof satisfactory to the Issuing and Paying Agent that the Note is mutilated or defaced to such an extent as to impair its value to the Noteholder. The Noteholder shall accompany the above with a deposit of money required by the Issuing and Paying Agent for the cost of preparing the substitute Note and all other expenses connected with the issuance of such substitute. The Issuing and Paying Agent shall then cause proper record to be made of the cancellation of the original, and thereafter the substitute shall have the validity of the original.

(b) In the event any Note is lost, stolen or destroyed, the Board may execute and the Authenticating Agent may authenticate and deliver a new Note of like Series, date, maturity and denomination as that Note lost, stolen or destroyed, provided that there shall first be furnished to the Issuing and Paying Agent evidence of such loss, theft or destruction satisfactory to the Issuing and Paying Agent, together with indemnity satisfactory to it.

(c) Except as limited by any Supplemental Indenture, the Issuing and Paying Agent may charge the holder of any such Note all governmental charges and transfer taxes, if any, and its reasonable fees and expenses in this connection. All substitute Notes issued and authenticated pursuant to this Section shall be issued as a substitute and numbered, as determined by the Issuing and Paying Agent. In the event any such Note has matured or been called for redemption, instead of issuing a substitute Note, the Issuing and Paying Agent may pay the same at its maturity or redemption without surrender thereof upon receipt of indemnity satisfactory to the Issuing and Paying Agent.

Section 2.09. Transfer or Exchange of Notes.

Upon surrender for transfer of any Note at the principal corporate trust office of the Registrar, the Registrar shall deliver in the name of the transferee or transferees a new fully authenticated and registered Note or Notes of authorized denominations of the same Series and same maturity for the same aggregate principal amount.

Noteholders may present Notes at the principal corporate trust office of the Registrar for exchange for Notes of different authorized denominations and, upon such presentation, the Registrar shall deliver to the Noteholder a new fully authenticated and registered Note or Notes of the same Series and same maturity for the same aggregate principal amount.

All Notes presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Noteholder or by his duly

authorized attorney.

Except as limited by any Supplemental Indenture, the Registrar also may require payment from the Noteholder of a sum sufficient to cover any tax, or other governmental fee or charge that may be imposed in relation thereto. Such taxes, fees and charges shall be paid before any such new Note shall be delivered.

Supplemental Indentures may designate certain limited periods during which Notes will not be exchanged or transferred.

Notes delivered upon any exchange or transfer as provided herein, or as provided in Section 2.08, shall be valid limited obligations of the Board, evidencing the same debt as the Note or Notes surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Note or Notes surrendered.

Section 2.10. Destruction of Notes. Whenever any Notes shall be delivered to the Issuing and Paying Agent for cancellation pursuant to this Indenture, upon payment of the principal amount and interest represented thereby or for replacement pursuant to Section 2.08 or exchange or transfer pursuant to Section 2.09, such Note shall be cancelled and destroyed by the Issuing and Paying Agent or the Registrar and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Issuing and Paying Agent to the Board.

Section 2.11. Temporary Notes. Pending preparation of definitive Notes of any Series, the Board may execute and the Issuing and Paying Agent shall authenticate and deliver, in lieu of definitive Notes and subject to the same limitations and conditions, interim receipts, certificates or temporary Notes which shall be exchanged for the Notes.

If temporary Notes shall be issued, the Board shall cause the definitive Notes to be prepared and to be executed, authenticated and delivered to the Issuing and Paying Agent, and the Issuing and Paying Agent, upon presentation to it of any temporary Note, shall cancel the same and deliver in exchange therefor at the place designated by the holder, without charge to the holder thereof, definitive Notes of an equal aggregate principal amount of the same Series, issue date, maturity and bearing interest the same as the temporary Notes surrendered. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Notes to be issued and authenticated hereunder.

ARTICLE III

PLEDGE OF AVAILABLE PLEDGED REVENUES

Section 3.01 Available Pledged Revenues. The Commercial Paper Notes, the Bank Notes and any Parity Notes shall be special, limited obligations of the Board, shall be payable as to both principal and interest from, and shall be secured by a pledge of, lien on and security interest in all Available Pledged Revenues and all amounts in the funds and accounts created or

maintained pursuant to this Indenture, the Issuing and Paying Agent Agreement or any Tax Certificate (except the Rebate Fund), including earnings on such amounts, subject only to the provisions of this Indenture and the Issuing and Paying Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein and therein, which pledge, lien and security interest shall be junior and subordinate, first to the pledge of Pledged Revenues and the lien created thereon by the Senior Lien Indenture in favor of the Senior Lien Bonds, and second to the pledge of Pledged Revenues and the lien created thereon by the DBW Loans in favor of the Board's repayment obligations thereunder and by any Subordinate Revenue Bonds Indenture in favor of any Subordinate Revenue Bonds. The Available Pledged Revenues constitute a trust fund for the security and payment of the interest on and principal of the Commercial Paper Notes, the Bank Notes and all Parity Notes secured by Available Pledged Revenues. The Available Pledged Revenues are hereby pledged to the payment of the Commercial Paper Notes and the Bank Notes without priority or distinction of one over the other. The pledge of Available Pledged Revenues herein made shall be irrevocable until all of the Commercial Paper Notes and the Bank Notes and any Parity Notes secured by Available Pledged Revenues have been paid and retired. The granting of this pledge by the Board does not limit in any manner the rights of the Board to issue any additional Parity Notes or incur any other obligations payable on a parity with or subordinated in right of payment to the Notes, the Bank Notes and Parity Notes, or from granting a security interest in the Available Pledged Revenues to any other Person in connection with such additional obligations.

Section 3.02. Deposit of Pledged Revenues; Notification of Pledge of Available Pledged Revenues. The Board covenants and agrees that all Pledged Revenues (as defined in the Senior Lien Indenture), when and as received, shall be deposited by the Board pursuant to the Act in the Port Revenue Fund in the City Treasury and will be accounted for pursuant to the Act. The Board will notify the City Treasurer of the pledge of, lien on, and security interest in Available Pledged Revenues granted by this Indenture and the Board shall ensure that all such Available Pledged Revenues shall be accounted for separate and apart from all other moneys, funds, accounts or other resources of the Board or the City.

ARTICLE IV

APPLICATION OF COMMERCIAL PAPER NOTE PROCEEDS

Section 4.01. Creation of Funds and Accounts.

(a) The Construction Fund is hereby created as a separate fund and shall be held, maintained and accounted for by the Trustee, and the moneys in said fund shall be used for the purposes for which the Notes of any Series are authorized to be issued, including but not limited to the payment of principal of and interest on the Notes and the costs of issuance and sale thereof. If so specified in a Tax Certificate, the Board shall establish one or more subaccounts within the Construction Fund. The Construction Fund is designated as the "Commercial Paper Construction Fund" and herein called the "Construction Fund."

(b) The Debt Service Fund is hereby created as a separate trust fund and shall be held by the Issuing and Paying Agent. The Board may direct the Issuing and Paying Agent to establish and maintain a separate account or accounts in the Debt Service Fund with respect to any or all of the Notes of one or more Series. Moneys in the Debt Service Fund and the accounts therein shall be held in trust separate and apart from all other moneys, funds and accounts held by the Issuing and Paying Agent and applied to pay principal of and interest on Outstanding Notes, in the amounts, at the times and in the manner set forth herein and in any Supplemental Indenture. Moneys in the accounts in the Debt Service Fund may also be applied to pay or reimburse a Bank for unreimbursed Advances to the extent provided herein or in any Supplemental Indenture. The following accounts are hereby established within the Debt Service Fund, and the Issuing and Paying Agent shall hold such accounts in trust in accordance herewith and with the Issuing and Paying Agent Agreement:

(1) "Commercial Paper Debt Service Account", and herein called the "Debt Service Account;"

(2) Three "Commercial Paper Bank Payment Accounts," herein called the "Bank Payment Accounts" designated as;

(i) the "Series D Bank Payment Account;"

(ii) the "Series E Bank Payment Account;"

(iii) the "Series F Bank Payment Account;" and

(3) "Bank Note Debt Service Account" and herein called the "Bank Note Account."

Section 4.02. Deposit of Proceeds of Commercial Paper Notes. Immediately upon receipt thereof, the Issuing and Paying Agent shall, if instructed by an Authorized Board Representative, first deposit the proceeds of the sale of Commercial Paper Notes into the applicable Bank Payment Account in an amount equal to the unreimbursed Advances made by the Banks to pay principal of or interest on Commercial Paper Notes of such Series. Proceeds so deposited shall be held separate and apart from all other funds and accounts and not commingled with any other moneys. The remaining proceeds shall be transferred to the Trustee for deposit in the Construction Fund.

Section 4.03. Application of Moneys in the Construction Fund.

(a) Moneys in the Construction Fund attributable to each Series shall be applied to the payment of the costs of the Project for such Series. An Authorized Board Representative may from time to time amend the list of Projects in a Tax Certificate; *provided, however,* that the Authorized Board Representative shall not amend the list of Projects in such a way as to

change the tax status of the related Series of Commercial Paper Notes. An Authorized Board Representative is hereby authorized to execute one or more supplemental Tax Certificates in connection with any Series of Notes.

(b) The Trustee shall make payments or disbursements from the Construction Fund upon receipt from the Board of a written requisition, in substantially the form attached as Exhibit C to this Indenture, executed by an Authorized Board Representative, which requisition shall state, with respect to each amount requested thereby, (i) the account, if any, within the Construction Fund from which such amount is to be paid, (ii) the number of the requisition from such account, (iii) the amount to be paid, the name of the Person to which the payment is to be made and the manner in which the payment is to made, (iv) that the amount to be paid represents a cost of a qualifying Project as described in a Tax Certificate of the Board, or is related to a Series F Project, as applicable, and (v) unless related to a Series F Project, that the amounts requisitioned will be expended only in accordance with and subject to the limitations set forth in the applicable Tax Certificate.

(c) Moneys held in the Construction Fund shall be invested and reinvested by the Trustee in Permitted Investments as directed by an Authorized Board Representative.

(d) Any amounts remaining in the Construction Account for a Series of Notes at the completion of the Project for such Series shall be transferred to the Bank Payment Account and be used to repay Advances to the extent that a portion of such Advances is allocable to the interest on the Notes of such Series.

Section 4.04. Deposits Into and Uses of the Commercial Paper Debt Service Account and the Bank Payment Account.

(a) At or before 1:15 p.m. Los Angeles time, on the maturity date of each Note, the Board may deposit or cause to be deposited, from Available Pledged Revenues or other moneys of the Board legally available therefor including Note Proceeds, an amount sufficient together with other available moneys, if any, with the Issuing and Paying Agent for deposit into the related Series Bank Payment Account, to reimburse the Banks in an amount equal to the principal of and interest due on all Notes maturing on such maturity date; provided that the Board shall be required to deposit into a segregated account (hereinafter designated the "Shortfall Account") such amounts from such source, at such time, to the extent Advances are not made under the Letter of Credit to pay the principal of and interest on the Notes maturing on such date. The "Shortfall Account" is hereby created as a separate trust fund and shall be held separate and apart from all other moneys, funds and accounts held by the Issuing and Paying Agent. Amounts deposited in the Shortfall Account, if any, shall be applied to pay any deficiency in Advances to pay the full amount of the principal of and interest on all Notes maturing on such maturity date. The Issuing and Paying Agent shall notify the Board on or before 3:00 p.m. Los Angeles time, on the Business Day prior to such maturity date, of the total amount due on such maturity date. Not later than 1:00 p.m. Los Angeles time on the maturity date of each Note, either the Issuing and Paying Agent or a Designated Representative shall

notify the Administrative Agent if the Board has not deposited or caused to be deposited, from Available Pledged Revenues or other moneys legally available therefor, with the Issuing and Paying Agent for deposit into the related Series Bank Payment Account, an amount equal to the Interest Advances drawn on such date.

(b) Each Advance received by the Issuing and Paying Agent as a result of a drawing under the Letter of Credit to pay the principal of and interest on maturing Notes shall be deposited into the Debt Service Account of the Debt Service Fund and used to pay the principal of and interest on such maturing Notes upon the proper presentment thereof. Each Advance so deposited shall be held separate and apart from all other funds and accounts and not commingled with any other moneys. At or before 12:00 Noon Los Angeles time on each maturity date, the Issuing and Paying Agent shall notify the Board whether or not the Issuing and Paying Agent has received a sufficient Advance or Advances to pay all such maturing principal and interest.

(c) Amounts deposited into the Series D Bank Payment Account shall be used, on each day that an Advance with respect to Series D Notes is received by the Issuing and Paying Agent and deposited into the Debt Service Account, by the Issuing and Paying Agent to reimburse the Banks for the amount of such Advance; *provided, however,* if, on any maturity date of the Series D Notes, the Advances paid under the Letter of Credit with respect to Series D Notes are not sufficient to pay the full amount of the principal of and interest due on such Series D Notes on such date, amounts in the Series D Bank Payment Account shall be used to make the balance of such payment.

(d) Amounts deposited into the Series E Bank Payment Account shall be used, on each day that an Advance with respect to Series E Notes is received by the Issuing and Paying Agent and deposited into the Debt Service Account, by the Issuing and Paying Agent to reimburse the Banks for the amount of such Advance; *provided, however,* if, on any maturity date of the Series E Notes, the Advances paid under the Letter of Credit with respect to Series E Notes are not sufficient to pay the full amount of the principal of and interest due on such Series E Notes on such date, amounts in the Series E Bank Payment Account shall be used to make the balance of such payment.

(e) Amounts deposited into the Series F Bank Payment Account shall be used, on each day that an Advance with respect to Series F Notes is received by the Issuing and Paying Agent and deposited into the Debt Service Account, by the Issuing and Paying Agent to reimburse the Banks for the amount of such Advance; *provided, however,* if, on any maturity date of the Series F Notes, the Advances paid under the Letter of Credit with respect to Series F Notes are not sufficient to pay the full amount of the principal of and interest due on such Series F Notes on such date, amounts in the Series F Bank Payment Account shall be used to make the balance of such payment.

(f) Moneys in the Debt Service Account shall not be invested. Moneys in the Bank Payment Account shall be invested and reinvested by the Issuing and Paying Agent in Permitted Investments as directed by an Authorized Board Representative, or, in the absence of such

direction, in Permitted Investments described in subparagraph (9) of the definition thereof.

Section 4.05. Drawings Under the Letter of Credit. On or before each maturity date for any Commercial Paper Note, the Issuing and Paying Agent shall present all required drawing certificates and accompanying documentation, if required, to the Administrative Agent and demand payment be made under the Letter of Credit on such maturity date at such time and in such amount not in excess of the Stated Amount so as to be timely and sufficient to pay the entire amount of principal and interest becoming due on all Commercial Paper Notes on such date. No drawings under the Letter of Credit shall be used to pay principal of and interest due on Bank Notes or any Notes which are owned or held by or for the account of the Port. Without limiting any other liability of the Issuing and Paying Agent for this or any other action, failure of the Issuing and Paying Agent to perform the duties and obligations set forth in this covenant shall constitute gross negligence on its part.

ARTICLE V

THE BANK NOTES

Section 5.01. Authorization and Terms of Bank Notes.

(a) The Board hereby authorizes the issuance of one or more of its Bank Notes, subject to the provisions of this Section 5.01 and as hereinafter provided. The Bank Notes shall be issued for each Bank and designated the "Port of Oakland, California Bank Notes (insert name of Bank)." The Bank Notes shall be issued by the Board on the Closing Date. Bank Notes shall be issued in consideration of the payment of the unreimbursed Advances, if any, by a Bank.

(b) The Bank Notes shall be dated the Closing Date; shall be issued in registered form only; shall be issued in any denomination and shall bear interest at the Bank Rate (calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed); *provided, however,* that the interest rate on the Bank Notes shall never exceed the maximum rate permitted by applicable law. Bank Notes shall bear interest from their respective dates, payable in accordance with the Reimbursement Agreement. Principal of Bank Notes shall be payable in accordance with the Reimbursement Agreement. The final maturity of the Bank Notes shall be no later than such date as may be provided for in the Reimbursement Agreement.

(c) The maturity date and other terms of each Bank Note, so long as not inconsistent with the terms of this Indenture, shall be as set forth in the certificate of an Authorized Board Representative directing the issuance of such Bank Note.

(d) Each Series of Bank Notes shall be subject to optional prepayment prior to maturity in accordance with, and upon notice as provided by, the Reimbursement Agreement.

(e) Each Series of Bank Notes shall be numbered consecutively from No. 1 upward.

The Issuing and Paying Agent may make additional provision for numbering, including additional prefixes and suffixes, as it may deem appropriate.

Section 5.02. Issuance of Bank Notes. A Bank Note shall be deemed issued at 2:00 p.m. Los Angeles time in the event that a Bank shall have made an Advance that remains unreimbursed by 2:00 p.m. Los Angeles time on the Business Day such Advance is made. The Issuing and Paying Agent shall authenticate a Bank Note in accordance with the certificate of an Authorized Board Representative delivered to the Issuing and Paying Agent pursuant to Section 5.01(c) and shall deliver such Bank Note to or upon the order of the respective Bank.

Section 5.03. Form of Bank Notes and Authentication Certificate. The definitive Bank Notes and the Certificate of Authentication endorsed thereon shall be substantially in the form set forth in Exhibit B attached hereto and made a part hereof with such appropriate variations, omissions and insertions as shall be necessary or appropriate in order to accomplish the purpose of this Indenture.

The Bank Notes may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law or regulation with respect thereto.

Section 5.04. No Transfer of Bank Notes. To the extent permitted by applicable law, the Bank Notes shall be non-negotiable and non-transferable.

Section 5.05. Deposits of Available Pledged Revenues in Bank Note Account. On the Business Day before each Bank Note Payment Date, an Authorized Board Representative shall allocate and transfer to the Issuing and Paying Agent for deposit in the Bank Note Account amounts from Available Pledged Revenues or other available moneys, if any, as follows:

(a) An amount equal to the aggregate amount of interest due and payable on such Bank Note Payment Date on all Bank Notes outstanding; and

(b) An amount equal to the aggregate principal amount due and payable on such Bank Note Payment Date on the outstanding Bank Notes.

(c) Amounts in the Bank Note Account shall be invested by the Issuing and Paying Agent in Permitted Investments as directed in writing by an Authorized Board Representative, or in the absence of direction from an Authorized Board Representative, the Issuing and Paying Agent shall select Permitted Investments described in subparagraph (9) of the definition thereof.

(d) The Bank Notes shall not be payable from the proceeds of a Letter of Credit drawing.

ARTICLE VI

COVENANTS

Section 6.01. Tax Covenants. In order to maintain the exclusion from gross income of the interest on the Notes for Federal income tax purposes, the Board covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code and the Board agrees to comply with the covenants contained in, and the instructions given pursuant to, each Tax Certificate which by this reference is incorporated herein, as a source of guidance for compliance with such provisions.

Notwithstanding any other provisions of this Indenture or any Supplemental Indenture to the contrary, upon the Board's failure to observe, or refusal to comply with the foregoing covenant, no person other than the holders of any Notes shall be entitled to exercise any right or remedy provided to the holders of any Notes under this Indenture or any Supplemental Indenture on the basis of the Board's failure to observe, or refusal to comply, with such covenant.

Section 6.02. Taxable Notes. Notwithstanding anything in this Indenture to the contrary, in the event an Authorized Board Representative designates a Series as obligations not described in Section 103(a) of the Code, including the Series F Notes issued hereunder, the provisions of Section 6.01 shall not apply to such Series.

Section 6.03. Letter of Credit. The Board hereby covenants to maintain in effect a Letter of Credit meeting the requirements hereof at all times that Commercial Paper Notes are Outstanding hereunder.

ARTICLE VII

ISSUING AND PAYING AGENT; DEALER

Section 7.01. Appointment of Issuing and Paying Agent. The Board hereby appoints U.S. Bank Trust National Association, as Issuing and Paying Agent, Authenticating Agent and Registrar and agrees that, at or prior to the time of issuance of the initial Commercial Paper Notes, the Board will enter into the Issuing and Paying Agent Agreement and the Board will at all times prior to the Termination Date maintain in effect an Issuing and Paying Agent Agreement, pursuant to which the Issuing and Paying Agent will agree to hold funds and fulfill the duties and obligations of the Issuing and Paying Agent, as provided for in this Indenture.

The Issuing and Paying Agent, Authenticating Agent, and Registrar shall (i) designate to the Trustee its principal office and (ii) signify its acceptance of the duties and obligations imposed upon it hereunder and under any Supplemental Indenture by written instrument of acceptance delivered to the Board and the Trustee.

Section 7.02. Reports and Records. (a) The Issuing and Paying Agent 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 Notes and any funds and accounts established and maintained by the Issuing and Paying Agent pursuant to this Indenture and any Supplemental Indenture. Such records shall be available for inspection by the Port on each Business Day upon reasonable notice during reasonable business hours and by any Owner or its agent or representative duly authorized in writing at reasonable hours and under reasonable circumstances. The Issuing and Paying Agent shall not be required to maintain records with respect to transactions made by the Trustee or an Authorized Board Representative or with respect to funds established and maintained by the Trustee.

(b) The Issuing and Paying Agent shall provide to the Authorized Board Representative each month a report of the amounts deposited in each fund held by it under this Indenture and the amount disbursed from such funds, the earnings thereon, the ending balance in each of such funds, the investments in each such fund and the yield on each investment calculated in accordance with the directions of an Authorized Board Representative. Such report shall also include such information regarding the issuance of Commercial Paper Notes during the subject month as the Board shall request.

(c) The Issuing and Paying Agent shall maintain such books, records, and accounts as may be necessary to evidence the obligations of the Board resulting from the Commercial Paper Notes, the principal amounts owing thereunder, the maturity schedule therefor, the respective rates of interest thereon and the principal and interest paid from time to time thereunder. So long as the Commercial Paper Notes are in book-entry form, in any legal action or proceeding with respect to a master note, the entries made in such books, records or accounts shall be, absent manifest error, conclusive evidence of the existence and the amounts of the obligations of the Board therein recorded.

Section 7.03. Resignation and Replacement of Issuing and Paying Agent. The Issuing and Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 90 days' written notice to the Administrative Agent, the Trustee and the Board. The Issuing and Paying Agent may be removed, with the written consent of the Administrative Agent, which consent shall not be unreasonably withheld, at any time by an instrument signed by an Authorized Board Representative and filed with the Issuing and Paying Agent, the Administrative Agent and the Trustee. No such resignation or removal shall become effective, however, until a successor Issuing and Paying Agent has been selected and assumed the duties of the Issuing and Paying Agent hereunder and the Letter of Credit has been transferred to the successor Issuing and Paying Agent in accordance with its terms.

In the event of the resignation or removal of the Issuing and Paying Agent, the Issuing and Paying Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor. The Issuing and Paying Agent shall make any representations and warranties to the Board as may be reasonably requested by the Board in connection with any such assignment.

The Issuing and Paying Agent shall, at all times, be a bank or trust company having its principal office in New York, New York and shall at all times be a corporation or a national

banking association organized and doing business under the laws of the United States of America or of any state with a combined capital and surplus of at least $50,000,000 and authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by Federal or state authority. If such corporation or national banking association publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this section, the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any corporation or national banking association into which any Issuing and Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or national banking association resulting from any merger, consolidation or conversion to which any Issuing and Paying Agent shall be a party, or any corporation or national banking association succeeding to the corporate trust business of any Issuing and Paying Agent shall be the successor of the Issuing and Paying Agent if such successor corporation or national banking association is otherwise eligible under this Section, without the execution or filing of any document or further act on the part of the Issuing and Paying Agent or such successor corporation or national banking association.

Section 7.04. Dealer. The Board hereby appoints Goldman, Sachs & Co., as Dealer and agrees that, at or prior to the time of issuance of the initial Commercial Paper Notes, the Board will enter into a Dealer Agreement with Dealer. The Board covenants that at all times prior to the Termination Date, it will maintain in effect one or more Dealer Agreements, pursuant to which each Dealer will agree to fulfill the duties and obligations of the Dealer as set forth in this Indenture and its Dealer Agreement.

ARTICLE VIII

TRUSTEE

Section 8.01. Acceptance of Trusts. The Trustee hereby accepts and agrees to execute the trusts specifically imposed upon it by this Indenture, but only upon the additional terms set forth in this Article VIII, to all of which the Board agrees and the respective holders agree by their acceptance of delivery of any of the Notes.

Section 8.02. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Trustee shall perform the duties set forth in this Indenture and no implied duties or obligations shall be read into this Indenture against the Trustee.

(c) Except during the continuance of an Event of Default, in the absence of any negligence on its part or any knowledge to the contrary, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether they conform to the requirements of this Indenture.

(d) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless the Trustee was negligent in ascertaining the pertinent facts; and

(2) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it from holders or the Board in the manner provided in this Indenture.

(e) The Trustee shall not, by any provision of this Indenture, be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the holders of the Notes, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it to comply with such request or direction.

(f) Every provision of this Indenture that in any way relates to the Trustee is subject to all the paragraphs of this Section.

(g) The Trustee shall not be deemed to have knowledge of an Event of Default unless it has received actual knowledge at the corporate trust office of the Trustee located in San Francisco, California.

Section 8.03. Rights of Trustee. Subject to the foregoing Section, the Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, and the Trustee shall be under no duty to make investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

The Trustee may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in good faith in accordance therewith.

Section 8.04. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Board with the same rights it would have if it were not Trustee. The Issuing and Paying Agent or any other agent may do the same with like rights.

Section 8.05. Trustee's Disclaimer. The Trustee shall not be accountable for the Board's use of the proceeds from the Notes paid to the Board and it shall not be responsible for any statement in the Notes.

Section 8.06. Notice of Defaults. If (i) an Event of Default has occurred or (ii) an event has occurred which with the giving of notice and/or the lapse of time would be an Event of Default and, with respect to such events for which notice to the Board is required before such events will become Events of Default, such notice has been given, then the Trustee shall promptly, after obtaining actual notice of such Event of Default or event described in (ii) of the first sentence of this Section, give notice thereof to each holder and to the Issuing and Paying Agent. Except in the case of a default in payment on any Notes, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the holders.

Section 8.07. Compensation of Trustee. For acting under this Indenture, the Trustee shall be entitled to payment of fees for its services and reimbursement of advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with its services under this Indenture and the Board agrees to pay such amounts to the Trustee. The Board agrees to indemnify and hold the Trustee harmless against costs, claims, expenses and liabilities, not arising from the Trustee's own negligence, misconduct or breach of duty, which the Trustee may incur in the exercise and performance of its rights and obligations hereunder. Such obligation shall survive the discharge of this Indenture or the resignation or removal of the Trustee.

Section 8.08. Eligibility of Trustee. This Indenture shall always have a Trustee that is a trust company or a bank having the powers of a trust company and is organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized to conduct trust business under the laws of the State, is subject to supervision or examination by United States, state or District of Columbia authority and has a combined capital and surplus of at least $100,000,000 as set forth in its most recent published annual report of condition.

Section 8.09. Replacement of Trustee. The Trustee may resign by notifying the Board in writing at least 60 days prior to the proposed effective date of the resignation. The holders of a majority in Outstanding principal amount of the Notes may remove the Trustee by notifying

the removed Trustee and may appoint a successor Trustee with the Board's consent. The Board may remove the Trustee, by notice in writing delivered to the Trustee 60 days prior to the proposed removal date; provided, however, that the Board shall have no right to remove the Trustee during any time when an Event of Default has occurred and is continuing or when an event has occurred and is continuing or condition exists which with the giving of notice or the passage of time or both would be an Event of Default.

No resignation or removal of the Trustee under this Section shall be effective until a new Trustee has taken office and delivered a written acceptance of its appointment to the retiring Trustee and to the Board. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the resignation or removal of the retiring 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 Indenture.

If the Trustee resigns or is removed or for any reason is unable or unwilling to perform its duties under this Indenture, the Board shall promptly appoint a successor Trustee.

If a Trustee is not performing its duties hereunder and a successor Trustee does not take office within 60 days after the retiring Trustee delivers notice of resignation or the Board delivers notice of removal, the retiring Trustee, the Board or the holders of a majority in Outstanding principal amount of the Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 8.10. Successor Trustee or Agent by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to another corporation which meets the qualifications set forth in this Indenture, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

Section 8.11. Other Agents. The Board, or the Trustee with the consent of the Board, may from time to time appoint other agents as may be appropriate at the time to perform duties and obligations under this Indenture or under a Supplemental Indenture all as provided by Supplemental Indenture or resolution of the Board.

Section 8.12. Several Capacities. Anything in this Indenture to the contrary notwithstanding, with the consent of the Board, the same entity may serve hereunder as the Trustee and any other agent as appointed to perform duties or obligations under this Indenture, under a Supplemental Indenture or an escrow agreement, or in any combination of such capacities, to the extent permitted by law.

Section 8.13. Accounting Records and Reports of the Trustee.

(a) 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 Note

Proceeds and all funds and accounts established pursuant to this Indenture. Such records shall be available for inspection by the Board on each Business Day during reasonable business hours and by any holder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall provide to the Board each month a report of any Note Proceeds received during that month, if any, and the amounts deposited into each fund and account held by it under this Indenture and the amount disbursed from such funds and accounts, the earnings thereon, the ending balance in each of such funds and accounts and the investments of each such fund and account.

(c) The Trustee shall annually, within a reasonable period after the end of the Fiscal Year, furnish to the Board a statement (which need not be audited) covering receipts, disbursements, allocation and application of Note Proceeds, and any other moneys in any of the funds and accounts held by it established pursuant to this Indenture or any Supplemental Indenture for the preceding year.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES OF NOTEHOLDERS

Section 9.01. Events of Default. Each of the following events shall constitute and is referred to in this Indenture as an "Event of Default":

(a) a failure to pay the principal of any Commercial Paper Note when the same shall become due and payable;

(b) a failure to pay any installment of interest on any Commercial Paper Note when such interest shall become due and payable;

(c) a failure by the Board to observe and perform any covenant, condition, agreement or provision (other than as specified in paragraphs (a) and (b) of this Section 9.01) contained in the Commercial Paper Notes or in this Indenture on the part of the Board to be observed or performed, which failure shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Board by the Trustee, which notice may be given at the discretion of the Trustee and shall be given at the written request of holders of 25% or more of the principal amount of the Commercial Paper Notes then Outstanding, unless the Trustee, or the Trustee and holders of Commercial Paper Notes in an amount not less than the Outstanding principal amount of Commercial Paper Notes the holders of which requested such notice, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee or the Trustee and the holders of such principal amount of Commercial Paper Notes shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Board within such period and is being diligently pursued;

(d) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Chapter 9 or 11 of the United States Bankruptcy Code (as the same may from time to time be hereafter amended), 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 Board and, if instituted against the City or the Board, said proceedings are consented to or are not dismissed within 60 days after such institution; or

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

If any Event of Default has occurred, but is subsequently cured or waived, then such Event of Default shall no longer constitute an Event of Default hereunder.

Section 9.02. Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee in its discretion may, and upon the written direction of the holders of 25% or more of the principal amount of the Commercial Paper Notes then Outstanding and receipt of indemnity to its satisfaction, shall, in its own name and as the Trustee of an express trust:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Commercial Paper Noteholders, and require the Board to carry out any agreements with or for the benefit of the Commercial Paper Noteholders and to perform its or their duties under the Act or any other law to which it is subject and this Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of this Indenture;

(ii) bring suit upon the Commercial Paper Notes;

(iii) commence an action or suit in equity to require the Board to account as if it were the trustee of an express trust for the Commercial Paper Noteholders; or

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Commercial Paper Noteholders.

(b) The Trustee shall be under no obligation to take any action with respect to any Event of Default unless the Trustee has actual knowledge of the occurrence of such Event of Default.

Section 9.03. Restoration to Former Position. In the event that any proceeding taken by the Trustee to enforce any right under this Indenture shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the Board, the Trustee, and the Commercial Paper Noteholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee

shall continue as though no such proceeding had been taken.

Section 9.04. Commercial Paper Noteholders' Right To Direct Proceedings. Subject to Section 10.05, anything else in this Indenture to the contrary notwithstanding, holders of a majority in principal amount of the Commercial Paper Notes then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Indenture to be taken in connection with the enforcement of the terms of this Indenture or exercising any trust or power conferred on the Trustee by this Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of the law and the Indenture and that there shall have been provided to the Trustee security and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred as a result thereof by the Trustee.

Section 9.05. Limitation on Right To Institute Proceedings. No Commercial Paper Noteholder 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 Commercial Paper Note, unless such Commercial Paper Noteholder or Commercial Paper Noteholders previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also holders of 25% or more of the principal amount of the Commercial Paper Notes then Outstanding shall have made written request of the Trustee so to do, after the right to institute such suit, action or proceeding under Section 9.02 hereof shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of such suit, action or proceeding; it being understood and intended that no one or more of the Commercial Paper Noteholders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under the Commercial Paper Notes, 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 Commercial Paper Noteholders.

Section 9.06. No Impairment of Right To Enforce Payment. Notwithstanding any other provision in this Indenture, the right of any Commercial Paper Noteholder to receive payment of the principal of and interest on such Commercial Paper Notes, on or after the respective due dates expressed therein and to the extent of the Available Pledged Revenues and other security provided for the Commercial Paper Notes, 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 Commercial Paper Noteholder.

Section 9.07. Proceedings by Trustee Without Possession of Commercial Paper Notes.

All rights of action under this Indenture or under any of the Commercial Paper Notes secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Commercial Paper Notes, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Commercial Paper Noteholders, subject to the provisions of this Indenture.

Section 9.08. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to Commercial Paper Noteholders 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 Indenture or the Commercial Paper Notes shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section 9.08.

Section 9.09. No Waiver of Remedies. No delay or omission of the Trustee or of any Commercial Paper Noteholder 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 IX to the Trustee and to the Commercial Paper Noteholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 9.10. Application of Moneys. Any moneys received by the Trustee, by any receiver or by any Commercial Paper Noteholder pursuant to any right given or action taken under the provisions of this Article IX (which shall not include moneys provided through the Letter of Credit, 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 and of the expenses, liabilities and advances incurred or made by the Trustee (including attorneys' fees), shall be applied as follows:

All such moneys shall be applied (i) first, to the payment to the persons entitled thereto of all installments of interest then due on the Commercial Paper Notes, with interest on overdue installments, if lawful, at the rate per annum borne by the Commercial Paper Notes, 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 (ii) second, to the payment to the persons entitled thereto of the unpaid principal amount of any of the Commercial Paper Notes which shall have become due with interest on such Commercial Paper Notes at their respective rate from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Commercial Paper Notes due on any particular 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 9.10, such moneys shall be applied at such times, and from time to time, as the Trustee 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 the Trustee shall apply such funds, it shall fix the date 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. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by first-class United States mail postage prepaid to all Commercial Paper Noteholders and shall not be required to make payment to any Commercial Paper Noteholder until such Commercial Paper Notes shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 9.11. Severability of Remedies. It is the purpose and intention of this Article IX to provide rights and remedies to the Trustee and the Commercial Paper Noteholders, which may be lawfully granted under the provisions of the Act and other applicable law, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Noteholders shall be entitled, as above set forth, to every other right and remedy provided in this Indenture or by applicable law.

Section 9.12. Additional Events of Default and Remedies. So long as any particular Series of Commercial Paper Notes is Outstanding, the remedies as set forth in this Article IX may be supplemented with additional remedies as set forth in a Supplemental Indenture.

ARTICLE X

MISCELLANEOUS

Section 10.01. Substitute Letter of Credit. Notwithstanding anything herein to the contrary, the Board may obtain a substitute Letter of Credit to replace the Letter of Credit then in effect hereunder so long as said substitute Letter of Credit shall go into effect at least one Business Day prior to the termination of the Letter of Credit then in effect. The substitution shall have no effect on any Notes then Outstanding, only on Notes issued on or after the date of substitution. The Expiration Date with respect to such substitute Letter of Credit shall be no earlier than the earlier of (i) six (6) months after its date or (ii) the Expiration Date set forth in the Letter of Credit then in effect. The substitute Letter of Credit shall have a Stated Amount (as such term is used in the original Letter of Credit) as the Letter of Credit being replaced. The following are further conditions to the Issuing and Paying Agent's ability to release an existing Letter of Credit and accept a substitute Letter of Credit:

(a) The Board shall deliver written notice of the proposed substitution to the Trustee, the Issuing and Paying Agent, the Administrative Agent and the Dealer not less than 45 days prior to the substitution date.

(b) There shall be delivered to the Board, the Trustee and the Issuing and Paying

Agent written evidence from each Rating Agency then maintaining a rating on the Commercial Paper Notes, that the substitution of such Letter of Credit will not, in and of itself, result in any rating then assigned to the Commercial Paper Notes being suspended, reduced or withdrawn.

(c) The Issuing and Paying Agent shall deliver written notice to the registered Owners of the Commercial Paper Notes at least 30 days prior to the substitution date. If any Outstanding Note is in bearer form, the Trustee shall publish notice of the substitution of such Letter of Credit in a newspaper of general circulation of the City at least 30 days prior to the substitution date.

(d) An opinion or opinions of counsel to the successor Bank shall be delivered to the effect that the substitute Letter of Credit is a legal, valid and binding obligation of the issuing Bank and is enforceable against the Bank in accordance with its terms.

(e) An opinion of Bond Counsel shall be delivered to the effect that the substitution of the Letter of Credit is authorized hereunder and (with respect to Notes other than taxable Notes) will not, in and of itself, adversely affect the exclusion from gross income for Federal tax purposes of interest on the Notes.

Section 10.02. Timeliness of Deposits. Funds shall be deemed transferred for purposes of timeliness of receipt under this Indenture when transfer instructions for transfer by Federal reserve wire have been given and a Federal wire number confirmation has been received; provided that the party to receive such funds shall not be required to take any action required to be taken hereunder with respect to such funds until it has confirmation of actual receipt of such funds.

Section 10.03. Waiver of Events of Default. No Event of Default with respect to the Commercial Paper Notes or the Bank Notes shall be waived unless after such waiver the reinstatement provisions of the Letter of Credit, if any, shall be in full force and effect.

Section 10.04. Defeasance of Commercial Paper Notes. Commercial Paper Notes shall not be deemed to have been paid in full unless payment of the principal of and interest on the Commercial Paper Notes either (a) shall have been made or caused to be made in accordance with the terms of the Commercial Paper Notes and this Indenture or (b) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment (i) Available Moneys sufficient to make such payment and/or (ii) noncallable Government Obligations purchased with Available Moneys, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment.

Section 10.05. Bank to Control Remedies. While the Letter of Credit is in effect notwithstanding anything else herein to the contrary, so long as each Bank is not Insolvent and is not in default under the Letter of Credit or the Reimbursement Agreement, no right, power or remedy with respect to the Commercial Paper Notes secured by such Letter of Credit may

be pursued without the prior written consent of the Banks, and the Banks shall have the right to direct the Trustee to pursue any right, power or remedy available hereunder with respect to any assets available hereunder which secure only the Notes secured by such Letter of Credit.

Section 10.06. Payments or Actions Occurring on Non-Business Days. If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made or the action taken on the stated date, and no interest shall accrue for the intervening period.

Section 10.07. Notices to Rating Agencies. The Authorized Board Representative shall provide the Rating Agencies with written notice of the occurrence of the following events: (i) changes in the Dealer and the Trustee, (ii) the appointment of a successor Issuing and Paying Agent, (iii) amendments to the Indenture, the Issuing and Paying Agent Agreement and the Reimbursement Agreement (iv) the expiration, termination, substitution, extension or any amendment of a Letter of Credit, and (v) the defeasance of all Outstanding Commercial Paper Notes. Notices to S&P shall be addressed as follows (or as provided in any subsequent notice to the Board) Standard & Poor's, 55 Water Street, 38th Floor, New York, New York 10004-0003, Attention: Public Finance Department - Structured Group. Notices to Fitch shall be addressed as follows (or as provided in any subsequent notice to the Board) Fitch, One State Street Plaza, New York New York 10004, Attention: Municipal Structured Finance.

Section 10.08. Parties in Interest. Except as herein otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Board, the Trustee, the Paying Agent, other agents from time to time hereunder, the holders of the Notes, and to the limited extent provided by Section 10.05 of this Indenture, the Banks, any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Board, the Trustee, the Paying Agent, such other agents, the holders of the Notes, and to the limited extent provided in Section 10.05 of this Indenture, the Banks.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 11.01. Limitations. This Indenture shall not be modified or amended in any respect subsequent to the first delivery of fully executed and authenticated Notes except as provided in and in accordance with and subject to the provisions of this Article XI.

Section 11.02. Supplemental Indentures Not Requiring Consent of Noteholders. The Board may, and while the Letter of Credit is in effect and so long as each Bank is not Insolvent and is not in default under the Letter of Credit or the Reimbursement Agreement with the prior written consent of the Banks, from time to time and at any time, without the consent of or notice

to the Noteholders, execute and deliver Supplemental Indentures supplementing and/or amending this Indenture or any Supplemental Indenture as follows:

(a) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, this Indenture or any Supplemental Indenture, provided such supplement or amendment is not materially adverse to the Noteholders;

(b) to add to the covenants and agreements of the Board in this Indenture or any Supplemental Indenture other covenants and agreements, or to surrender any right or power reserved or conferred upon the Board, provided such supplement or amendment shall not materially adversely affect the interests of the Noteholders;

(c) to confirm, as further assurance, any interest of the Issuing and Paying Agent in and to the Available Pledged Revenues or in and to the funds and accounts held by the Trustee or the Issuing and Paying Agent or in and to any other moneys, securities or funds of the Board provided pursuant to this Indenture or to otherwise add additional security for the Noteholders;

(d) to evidence any change made in the terms of any Series of Notes if such changes are authorized by the Supplemental Indenture at the time the Series of Notes is issued and such change is made in accordance with the terms of such Supplemental Indenture;

(e) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(f) to modify, alter, amend or supplement this Indenture or any Supplemental Indenture in any other respect which is not materially adverse to the Noteholders;

(g) to qualify the Notes or a Series of Notes for a rating or ratings by Moody's and/or S&P;

(h) to accommodate the technical, operational and structural features of Notes which are issued or are proposed to be issued, including, but not limited to, changes needed to accommodate Parity Notes, Senior Lien Bonds and Subordinate Revenue Bonds, other forms of commercial paper, or other forms of indebtedness which the Board from time to time deems appropriate to incur;

(i) to accommodate the use of a credit facility or liquidity facility for specific Notes or a specific Series of Notes;

(j) to comply with the requirements of the Code as are necessary, in the opinion of Bond Counsel, to prevent the Federal income taxation of the interest on the Notes issued as tax-exempt Notes, as appropriate, including, without limitation, the segregation of Available Pledged Revenues into different funds; or

(k) to take effect only with respect to Notes issued on or after the effective date of the Supplemental Indenture accompanied by appropriate disclosure of the amendment or supplement.

Before the Board shall, pursuant to this Section 11.02, execute any Supplemental Indenture, there shall have been delivered to the Board an opinion of Bond Counsel to the effect that such Supplemental Indenture is authorized or permitted by this Indenture, the Act and other applicable law, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Board in accordance with its terms and will not cause

interest on any of the Notes which is then excluded from gross income of the recipient thereof for federal income tax purposes to be included in gross income for federal income tax purposes.

Section 11.03. Supplemental Indentures Requiring Consent of Noteholders.

(a) Except for any Supplemental Indenture entered into pursuant to Section 11.02 and any Supplemental Indenture entered into pursuant to Section 11.03(b) below, subject to the terms and provisions contained in this Section 11.03 and not otherwise, the holders of not less than 51% in aggregate principal amount of the Notes then Outstanding shall have the right from time to time, and while the Letter of Credit is in effect and so long as each Bank is not Insolvent and is not in default under the Letter of Credit or the Reimbursement Agreement with the prior written consent of the Banks, to consent to and approve the execution by the Board of any Supplemental Indenture deemed necessary or desirable by the Board for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in a Supplemental Indenture; provided, however, that, unless approved in writing by the holders of all the Notes then Outstanding or unless such change affects less than all Series of Notes and the following subsection (b) is applicable, nothing herein contained shall permit, or be construed as permitting, (i) an extension in the stated maturity of any Outstanding Notes, or change the amounts or currency of payment of the principal of or interest on of any Outstanding Notes or (ii) a reduction in the principal amount or redemption price of any Outstanding Notes or the rate of interest thereon; and provided that nothing herein contained, including the provisions of Section 11.03(b) below, shall, unless approved in writing by the holders of all the Notes then Outstanding, permit or be construed as permitting (iii) except with respect to additional security which may be provided for a particular Series of Notes, a preference or priority of any Note or Notes over any other Note or Notes with respect to the security granted therefor under this Indenture, or (iv) a reduction in the aggregate principal amount of Notes the consent of the Noteholders of which is required for any such Supplemental Indenture. Nothing herein contained, however, shall be construed as making necessary the approval by Noteholders of the execution of any Supplemental Indenture as authorized in Section 11.02, including the granting, for the benefit of particular Series of Notes, security in addition to the pledge of the Available Pledged Revenues.

(b) The Board may, from time to time and at any time, execute a Supplemental Indenture which amends the provisions of an earlier Supplemental Indenture. If such

Supplemental Indenture is executed for one of the purposes set forth in Section 11.02, no notice to or consent of the Noteholders shall be required. If such Supplemental Indenture contains provisions which affect the rights and interests of less than all Series of Notes Outstanding and Section 11.02 is not applicable, then this subsection (b) rather than subsection (a) above shall control and, subject to the terms and provisions contained in this Section 11.03(b) and not otherwise, the holders of not less than 51% in aggregate principal amount of the Notes of all Series which are affected by such changes shall have the right from time to time to consent to any Supplemental Indenture deemed necessary or desirable by the Board for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in such Supplemental Indenture and affecting only the Notes of such Series; provided, however, that, unless approved in writing by the holders of all the Notes of all the affected Series then Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of or interest on any Outstanding Notes of such Series or (ii) a reduction in the principal amount or redemption price of any Outstanding Notes of such Series or the rate of interest thereon. Nothing herein contained, however, shall be construed as making necessary the approval by Noteholders of the adoption of any Supplemental Indenture as authorized in Section 11.02, including the granting, for the benefit of particular Series of Notes, security in addition to the pledge of the Available Pledged Revenues.

(c) If at any time the Board shall desire to enter into any Supplemental Indenture for any of the purposes of this Section 11.03, the Board shall cause notice of the proposed execution of the Supplemental Indenture to be given by first-class United States mail to all Noteholders or, under Section 11.03(b), all Noteholders of the affected Series. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office of the Board for inspection by all Noteholders and it shall not be required that the Noteholders approve the final form of such Supplemental Indenture but it shall be sufficient if such Noteholders approve the substance thereof.

(d) The Board may execute and deliver such Supplemental Indenture in substantially the form described in such notice, but only if there shall have first been delivered to the Board (i) the required consents, in writing, of Noteholders and (ii) the opinion of Bond Counsel required by the last paragraph of Section 11.02.

(e) If Noteholders of not less than the percentage of Notes required by this Section 11.03 shall have consented to and approved the execution and delivery thereof as herein provided, no Noteholders shall have any right to object to the adoption of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Board from executing the same or from taking any action pursuant to the provisions thereof.

Section 11.04. Effect of Supplemental Indenture. Upon execution and delivery of any Supplemental Indenture pursuant to the provisions of this Article XI, this Indenture or the

Supplemental Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture and the Supplemental Indenture of the Board, the Trustee, the Issuing and Paying Agent and all Noteholders shall thereafter be determined, exercised and enforced under this Indenture and the Supplemental Indenture, if applicable, subject in all respects to such modifications and amendments.

Section 11.05. Supplemental Indentures To Be Part of This Indenture. Any Supplemental Indenture adopted in accordance with the provisions of this Article XI shall thereafter form a part of this Indenture or the Supplemental Indenture which they supplement or amend, and all of the terms and conditions contained in any such Supplemental Indenture as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture or the Supplemental Indenture which they supplement or amend for any and all purposes.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the date first above written.

BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND, CALIFORNIA

By:_____
Authorized Board Representative

U.S. BANK TRUST NATIONAL ASSOCIATION, as Trustee

By:_____
Authorized Officer

Approved as to form
and legality this 16th
day of September 1999:

DAVID L. ALEXANDER, Port Attorney

By:_____

Port Resolution No. 99359

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the date first above written.

BOARD OF PORT COMMISSIONERS
OF THE CITY OF OAKLAND,
CALIFORNIA

By:_____
Authorized Board Representative

U.S. BANK TRUST NATIONAL
ASSOCIATION, as Trustee

By:_____
Authorized Officer

Approved as to form
and legality this 16th
day of September 1999:

DAVID L. ALEXANDER, Port Attorney

By:_____

Port Resolution No. 99359

EXHIBIT A

(Form of Master Note)

PORT OF OAKLAND, CALIFORNIA
COMMERCIAL PAPER NOTES
SERIES ___

Registered Owner: CEDE & CO.

Principal Sum: Not to Exceed ONE HUNDRED FIFTY MILLION DOLLARS ($150,000,000) Outstanding

The Board of Port Commissioners of the City of Oakland, California, a board duly organized and existing under and pursuant to the Charter of the City of Oakland, California and the laws of the State of California (hereinafter called the "Board"), for value received, hereby promises to pay (but only out of the Available Pledged Revenues hereinafter referred to) to the registered owner hereinabove named or registered assigns, the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of the Board (the "Underlying Records") as being evidenced by this Master Note, which Underlying Records are maintained by U.S. Bank Trust National Association, as Issuing and Paying Agent (the "Issuing and Paying Agent") under that certain Issuing and Paying Agent Agreement, dated as of September 1, 1999, between the Board and the Issuing and Paying Agent (the "Issuing and Paying Agent Agreement"). Interest on Series D Notes and Series E Notes shall be calculated on the basis of actual days elapsed in a 365 or 366 day year, as the case may be, at the rate specified on the Underlying Records. Interest on Series F Notes shall be calculated on the basis of a 360 day year and actual number of days elapsed, at the rate or yield specified on the Underlying Records. Payments shall be made solely from Available Pledged Revenues (as defined in the Indenture referred to hereinafter) and payments of drawings under an irrevocable direct pay Letter of Credit of Bank of America, N.A. and Morgan Guaranty Trust Company of New York, by wire transfer to the registered owner stated hereinabove from the Issuing and Paying Agent without the necessity of presentation and surrender of this Master Note.

This Master Note is one of a duly authorized issue of Port of Oakland, California Commercial Paper Notes of the Board (hereinafter called the "Notes") of the series and designation indicated on the face hereof. Said authorized issue of Notes is limited to ONE HUNDRED FIFTY MILLION DOLLARS ($150,000,000) in aggregate principal amount Outstanding at any time and consists of multiple series of varying denominations, dates, maturities, interest rates and other provisions, as in the Indenture hereinafter mentioned provided, all issued and to be issued pursuant to the provisions of Article VII of the Charter of the City of Oakland, California, and all laws of the State of California supplemental thereto

(hereinafter called the "Act"). This Master Note evidences a series of Notes designated as the "Port of Oakland, California Commercial Paper Note, Series ___" (hereinafter called the "Series ___ Notes"). This Note is issued pursuant to a resolution of the Board, adopted August 31, 1999, and a Trust Indenture dated as of September 1, 1999 by and between the Board and U.S. Bank Trust National Association, as Trustee (the "Trustee"), providing for the issuance of the Notes, including the Series D Notes, the Series E Notes and the Series F Notes in the aggregate principal amount Outstanding at any time not to exceed $150,000,000 (hereinafter called the "Indenture").

Reference is hereby made to the Indenture and the Act for a description of the terms on which the Notes are issued and to be issued, the provisions with regard to the nature and extent of the Available Pledged Revenues, as that term is defined in the Indenture, and the rights of the registered owners of the Notes; and all the terms of the Indenture and the Act are hereby incorporated herein and made a contract between the Board and the registered owner from time to time of this Master Note, and to all the provisions thereof the registered owner of this Note, by its acceptance hereof, consents and agrees. Additional series of Notes may be issued on a parity with the Notes of this authorized Series.

This Master Note, including the interest hereon, together with all other Notes and the interest thereon, issued under the Indenture (and to the extent set forth in the Indenture), is payable from, and is secured by a pledge of and lien on, the Available Pledged Revenues derived by the Board from the Port (as those terms are defined in the Indenture).

The Notes are special, limited obligations of the Board, shall be payable as to both principal and interest from, and shall be secured by a pledge of, lien on and security interest in all Available Pledged Revenues and all amounts in the funds and accounts created or maintained pursuant to the Indenture, the Issuing and Paying Agent Agreement or any Tax Certificate (except the Rebate Fund), including earnings on such amounts, subject only to the provisions of the Indenture and the Issuing and Paying Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein, which pledge, lien and security interest shall be junior and subordinate, first to the pledge of Pledged Revenues and the lien created thereon by the Senior Lien Indenture in favor of the Senior Lien Bonds, and second to the pledge of Pledged Revenues and the lien created thereon by the DBW Loans in favor of the Board's repayment obligations thereunder and by any Subordinate Revenue Bonds Indenture in favor of any Subordinate Revenue Bonds. Neither the faith and the credit nor the taxing power of the City of Oakland, the State of California, or any public agency, other than the Board to the extent of the Available Pledged Revenues, is pledged to the payment of the principal of, or interest on, this Master Note. The Board has no power of taxation.

At the request of the registered owner, the Board shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Note. This Master Note is transferable by the registered owner hereof, in person or by attorney duly authorized in writing,

at the principal office of the Issuing and Paying Agent in New York, New York, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Note. Upon such transfer a new fully registered Note or Notes of the same Series designation, without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

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

The rights and obligations of the Board and of the registered owners of the Notes may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture and, under certain circumstances as described in the Indenture, without the consent of the holders of the Notes.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Master Note, and in the issuing of this Master Note, do exist, have happened and have been performed in due time, form and manner, as required by the Act, and that this Master Note is not in excess of the amount of Notes permitted to be issued under the Resolution.

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

IN WITNESS WHEREOF, the Board of Port Commissioners of the City of Oakland, California has caused this Master Note to be executed in its name and on its behalf by its President or First Vice President or Second Vice President, and attested by its Secretary, and the seal of the Port to be imprinted or reproduced by facsimile hereon, and this Master Note to be dated as of the 16th day of September, 1999.

BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND

By_____
First Vice President

[SEAL]

Attested:

_____
Secretary of the Board

CERTIFICATE OF AUTHENTICATION

This is the Master Note described in the within-mentioned Indenture.

U.S. Bank Trust National Association, as Issuing and Paying Agent

By_____
Authorized Signatory

ASSIGNMENT

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

_____
(Name, address and Taxpayer Identification Number of Assignee

this Master Note and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Master Note on the books of the Board with full power of substitution in the premises.

Dated:
Signature(s) Guaranteed

_____
(Signature)

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

_____

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

EXHIBIT B

(Form of Bank Note)

PORT OF OAKLAND, CALIFORNIA
BANK NOTE
(Insert name of Bank)

Dated Date
September 16, 1999

Final Maturity Date

Registered Owner: (Insert Name of Bank)

Stated Amount: ONE HUNDRED FIFTY MILLION DOLLARS

The Board of Port Commissioners of the City of Oakland, California, a board duly organized and existing under and pursuant to the Charter of the City of Oakland, California and the laws of the State of California (hereinafter called the "Board"), for value received, hereby promises to pay to the registered owner hereinabove named at maturity (subject to any prepayment made in accordance with both the Indenture and the Agreement, hereinafter defined), the lesser of the stated amount hereinabove stated or the amount of the unreimbursed draws payable to the registered owner hereof under the terms of the Indenture, together with interest on such amount until such amount hereof shall have been paid, at the applicable Bank Rate (as defined in that certain Letter of Credit and Reimbursement Agreement, dated as of September 1, 1999 (hereinafter called the "Agreement"), between the Board and Bank of America, N.A., in its individual capacity and as Administrative Agent and Lead Arranger, and Morgan Guaranty Trust Company of New York, in its individual capacity and as Syndication Agent). Interest shall be payable semi-annually in arrears on (A) each January 1 and July 1, (B) on the day this Bank Note is fully paid and (C) on the Conversion Date (as defined in the Agreement), to and including the final maturity date hereinabove stated (each a "Payment Date"). Payment of principal of and interest on this Bank Note shall be made in immediately available funds in lawful currency of the United States of America to the Administrative Agent on behalf of the Banks, at the Payment Office. Interest on this Bank Note shall be calculated on the basis of a 365 or 366 day year and actual days elapsed. In the event that the obligations under this Bank Note are converted to a Term Loan pursuant to the provisions of Article II of the Agreement, then the per annum rate of interest and other terms of such Term Loan shall be determined in accordance with the provisions of Article II of the Agreement.

This Bank Note is one of a duly authorized issue of Port of Oakland, California Bank Notes of the Board (hereinafter called the "Bank Notes") of the series and designation indicated on the face hereof. Said authorized issue of Bank Notes consist of multiple series of varying denominations, dates, maturities, interest rates and other provisions, as in the Indenture hereinafter mentioned provided, all issued and to be issued pursuant to the provisions of Article VII of the Charter of the City of Oakland, California (hereinafter called the "Act"). This Bank Note is issued pursuant to a resolution of the Board, adopted August 31, 1999, and a Trust Indenture dated as of September 1, 1999 (the "Indenture"), by and between the Board and U.S. Bank Trust National Association, as Trustee (the "Trustee"), providing for the issuance of Commercial Paper Notes and Bank Notes.

Reference is hereby made to the Indenture and the Act for a description of the terms on which the Bank Notes are issued and to be issued, the provisions with regard to the nature and extent of the Available Pledged Revenues, as that term is defined in the Indenture, and the rights of the registered owners of the Bank Notes; and all the, terms of the Indenture and the Act are hereby incorporated herein and made a contract between the Board and the registered owner from time to time of this Bank Note, and to all the provisions thereof the registered owner of this Bank Note, by its acceptance hereof, consents and agrees. Additional series of Bank Notes may be issued on a parity with the Bank Notes of this authorized Series.

This Bank Note, including the interest hereon, together with all other Bank Notes, and the interest thereon, issued under the Indenture (and to the extent set forth in the Indenture), is payable from, and is secured by a pledge of and lien on, the Available Pledged Revenues derived by the Board from the Port (as those terms are defined in the Indenture).

The Bank Notes are special, limited obligations of the Board, shall be payable as to both principal and interest from, and shall be secured by a pledge of, lien on and security interest in all Available Pledged Revenues and all amounts in the funds and accounts created or maintained pursuant to the Indenture, the Issuing and Paying Agent Agreement or any Tax Certificate (except the Rebate Funds), including earnings on such amounts, subject only to the provisions of the Indenture and the Issuing and Paying Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein, which pledge, lien and security interest shall be junior and subordinate, first to the pledge of Pledged Revenues and the lien created thereon by the Senior Lien Indenture in favor of the Senior Lien Bonds, and second to the pledge of Pledged Revenues and the lien created thereon by the DBW Loans in favor of the Board's repayment obligations thereunder and by any Subordinate Revenue Bonds Indenture in favor of any Subordinate Revenue Bonds. Neither the faith and the credit nor the taxing power of the City of Oakland, the State of California, or any public agency, other than the Board to the extent of the Available Pledged Revenues, is pledged to the payment of the principal of, or interest on, this Bank Note. The Board has no power of taxation.

The Board, the Trustee and the Issuing and Paying Agent (as defined in the Indenture) may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the Board, the Trustee and the Issuing and Paying Agent shall not be affected by any notice to the contrary.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Note, and in the issuing of this Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California and the Charter of the City of Oakland, California.

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

IN WITNESS WHEREOF, the Board of Port Commissioners of the City of Oakland, California has caused this Bank Note to be executed in its name and on its behalf by its President or First Vice President or Second Vice President, and attested by its Secretary, and the seal of said Board to be imprinted or reproduced by facsimile hereon, and this Bank Note to be dated as of the 16th day of September, 1999.

BOARD OF PORT COMMISSIONERS OF THE CITY OF OAKLAND, CALIFORNIA

By:_____
First Vice President

[SEAL]

Attested:

_____
Secretary of the Board

CERTIFICATE OF AUTHENTICATION

This is one of the Bank Notes described in the within-mentioned Indenture and registered this _____ day of _____, _____.

U.S. Bank Trust National Association, as Issuing and Paying Agent

By_____
Authorized Signatory

EXHIBIT C

FORM OF SERIES ___ CONSTRUCTION FUND REQUISITION

Requisition No. ___

To: U.S. Bank Trust National Association
One California Street, Suite 400
San Francisco, California 94111
Attention: Corporate Trust Department

Re: Requisition of Funds from Port of Oakland, California
Commercial Paper Notes
Series ___ Construction Fund
[_____ **Subaccount]**

The amount requisitioned: $_____

Payment to be made to: _____

Manner in which payment is to be made: _____

The undersigned, an Authorized Board Representative within the meaning of the Trust Indenture (the "Indenture") dated as of September 1, 1999 between the Board of Port Commissioners of the City of Oakland (the "Board") and U.S. Bank Trust 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 Series ___ Construction Fund held under the Indenture and directs that payment be made in the manner described above.

[For Series D and Series E Projects only] The amount to be paid represents a cost of the Series ___ Project as described in a Tax Certificate of the Board and the amounts requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Certificate dated _____, 1998 and relating to the Series ___ Notes issued under the Indenture.

[For Series F Project only] The amount to be paid represents a cost of a Series F Project.

Dated: _____

BOARD OF PORT COMMISSIONERS OF THE
CITY OF OAKLAND, CALIFORNIA

By:_____
Authorized Board Representative

RFP No.: 18-19/07, Letter of Credit or Revolving Credit Facilities

OFFERING MEMORANDUM

Dated June 14, 2018

On June 13, 2017, Orrick, Herrington & Sutcliffe LLP, as Special Tax Counsel to the Board of Port Commissioners of the City of Oakland, California, delivered its opinion that, based upon an analysis of then-existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series A Notes, Series B Notes, Series D Notes, and Series E Notes (collectively, the "Tax-Exempt Notes"), when issued in accordance with the Tax Certificate and the Commercial Paper Indentures, will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion was expressed as to the status of interest on any Series A Note or Series D Note for any period that such Series A Note or Series D Note is held by a "substantial user" of the facilities financed or refinanced by the Series A Notes or Series D Notes, or by a "related person" to such a substantial user within the meaning of Section 147(a) of the Code. It was the further opinion of Special Tax Counsel that interest on the Series B Notes and the Series E Notes is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, although Special Tax Counsel observed that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Special Tax Counsel also observed that interest on the Series A Notes and Series D Notes is a specific preference item for purposes of the federal individual and corporate alternative minimum taxes. Special Tax Counsel was of the further opinion that the amount treated as interest on the Tax-Exempt Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Special Tax Counsel was also of the opinion that interest on the Tax-Exempt Notes, as well as interest on the Series C (Taxable) Notes and Series F (Taxable) Notes is exempt from State of California personal income taxes. Special Tax Counsel expressed no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Tax-Exempt Notes. Special Counsel has not taken and does not intend to take any action to update such opinion or to determine if interest on the Tax-Exempt Notes is presently excluded from gross income for federal income tax purposes. Effective for tax years beginning after December 31, 2017, the corporate alternative minimum tax has been repealed. See "TAX MATTERS".

NOT TO EXCEED $150,000,000
PORT OF OAKLAND, CALIFORNIA
COMMERCIAL PAPER NOTES
SERIES A (EXEMPT FACILITY), SERIES B (GOVERNMENTAL) AND SERIES C (TAXABLE)

NOT TO EXCEED $50,000,000
PORT OF OAKLAND, CALIFORNIA
COMMERCIAL PAPER NOTES
SERIES D (EXEMPT FACILITY), SERIES E (GOVERNMENTAL) AND SERIES F (TAXABLE)

The purpose of this Offering Memorandum is to provide certain general information in connection with the issuance and sale by the Board of Port Commissioners of the City of Oakland, California (the "Board") of its Port of Oakland, California Commercial Paper Notes, Series A (the "Series A Notes"), Series B (the "Series B Notes"), Series C (the "Series C Notes" and, together with the Series A Notes and the Series B Notes, the "ABC Notes"), Series D (the "Series D Notes"), Series E (the "Series E Notes") and Series F (the "Series F Notes" and, together with the Series D Notes and the Series E Notes, the "DEF Notes") (collectively, the "Commercial Paper Notes" or the "Notes"). Capitalized terms used but not defined herein shall have the meanings set forth in the Commercial Paper Indentures (as hereinafter defined).

The information in this Offering Memorandum has been obtained from the Port of Oakland, California (the "Port"), Bank of America, N.A. ("Bank of America"), and other sources believed to be reliable. The ABC Notes are payable from and supported by an irrevocable direct-pay letter of credit issued by Bank of America (the "ABC Letter of Credit"). The DEF Notes are payable from and supported by a second irrevocable direct-pay letter of credit also issued by Bank of America (the "DEF Letter of Credit" and, together with the ABC Letter of Credit, the "Letters of Credit").

Goldman, Sachs & Co. LLC, as the Dealer, has provided the following sentence for inclusion in this Offering Memorandum. The Dealer has reviewed the information in this Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the Federal securities laws as applied to the facts and circumstances of this transaction, but the Dealer does not guarantee the accuracy or completeness of such information.

The references herein to the Senior Lien Indenture, the Intermediate Lien Indenture, the Commercial Paper Indentures, the Commercial Paper Notes, the Letters of Credit, the Reimbursement Agreements, the Issuing and Paying Agent Agreements and the Dealer Agreements (all as defined herein) do not purport to be complete or definitive, do not constitute summaries thereof, and are qualified in their entireties by reference to each such document. The information and expressions of opinion in this Offering Memorandum are subject to change without notice after the date hereof, and future use of this Offering Memorandum shall not otherwise create any implication that there has been no change in the matters referred to in this Offering Memorandum since the date hereof.

Certain statements included or incorporated by reference in this Offering Memorandum constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "project," "expect," "anticipate," "intend," "believe," "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 that may cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. The Board does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

This Offering Memorandum is not to be construed as a contract between the Board and the purchasers of the Commercial Paper Notes. Statements contained in this Offering Memorandum which involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as representations of fact. No dealer, broker, salesperson or other person has been authorized by the Board to give any information or to make any representations, other than as contained in this Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board. *Prospective purchasers of the Commercial Paper Notes are expected to conduct their own diligence, review and analysis before making an investment decision.*

THE PORT

The Port is an independent department of the City of Oakland (the "City"). The Port manages three lines of business: Aviation, Maritime and Commercial Real Estate. The Board has exclusive control and management of the Port Area described below, of all Port facilities and property, real and personal, all income and revenue of the Port and proceeds of all Commercial Paper Notes. The Board has the power under Article VII of the Charter of the City (the "Charter") to fix, alter, change or modify rates, tolls, fees, rentals and charges for the use of Port facilities and any services provided in connection with such facilities. A substantial portion of the Port's revenues is governed by lease, use, license and other agreements with Port tenants and customers. The Port has only a limited ability to increase revenues under certain of those agreements during their respective terms.

The Port Area extends approximately 19 miles from the border of the City of Emeryville (located immediately north of the San Francisco-Oakland Bay Bridge), south to the border of the City of San Leandro. Port facilities include (a) maritime infrastructure (collectively, the "Seaport"), which consists of (i) marine terminals handling international and domestic cargo, (ii) rail facilities for intermodal and bulk cargo handling, (iii) other properties, including a portion of the former Oakland Army Base (the "OAB"), used for transloading and other logistics facilities, used for truck staging, container storage and other maritime support services; (b) Oakland International Airport (the "Airport"); (c) commercial, industrial, recreational and other land under lease or available for lease or sale; and (d) certain undeveloped land and water areas. The Port also produces revenues from purchasing, aggregating and selling electricity to its tenants. According to audited financial statements for the Fiscal Year ended June 30, 2017, the Port had approximately $358.7 million in operating revenues (including utility sales of approximately $14.2 million), of which the Maritime Division produced approximately 42%, the Aviation Division

produced approximately 53% and the Commercial Real Estate Division produced approximately 5%.

Maritime

The Seaport serves as the principal Northern California ocean gateway for international containerized cargo shipments (particularly to and from the Pacific Basin). The Seaport is one of five major gateways for such shipments on the West Coast of North America. The Seaport primarily handles cargo that serves a large local and regional population. The Seaport also competes with other ports primarily for discretionary intermodal rail cargo, which is cargo originating at or bound for inland destinations that could be shipped through any one of several ports. Major ocean carriers (shipping lines) currently serving the Port, include: APL, ANL, CMA CGM, COSCO, Evergreen, Hamburg Sud, Hapag-Lloyd, Horizon, Hyundai, Maersk, Matson Navigation, Mediterranean Shipping, Orient Overseas Container Line ("OOCL"), Ocean Network Express (ONE), and Yang Ming. In addition, both western transcontinental (Class I) railroad companies (BNSF Railway and Union Pacific Railroad) also serve the Seaport.

The Port has approximately 1,300 acres of Seaport facilities, which include multiple active marine container terminals (operated by various terminal operators under separate agreements) equipped with deep-water berths that are served by modern container cranes; rail facilities for intermodal and bulk cargo handling; areas for truck staging, container storage and maritime support services operations; and a portion of the former OAB property, which the Port is working to develop into a trade and logistics center (the "Seaport Logistics Complex"). These facilities are supported by a robust transportation network, which includes an additional intermodal rail facility on private property, deep water navigation channels, and several highways.

In calendar year 2017, the Seaport handled containerized cargo totaling approximately 2.4 million Twenty-foot Equivalent Units ("TEUs"), of which 1.9 million were loaded (full) TEUs. For the period January through April 2018, the Seaport handled 791,373 TEUs, which represents an approximately 2.9% increase from the same period in the prior year, during which the Seaport had handled 768,709 TEUs. The Seaport is the third busiest container port in California, and one of the top 10 container ports in the United States, as measured by the number of TEUs handled, according to the latest survey by the American Association of Port Authorities North America Container Traffic, 2016 Port Ranking by TEUs.

Aviation

The Airport is one of three major commercial airports serving the nine-county San Francisco/Oakland/San José metropolitan area (the "Bay Area"). The Airport primarily serves the East Bay counties of Alameda and Contra Costa (collectively, approximately 62% of the Airport's enplanements) and also serves the City and County of San Francisco (approximately 6% of the Airport's enplanements), and the North Bay Counties of Marin, Sonoma, Napa and Solano (collectively approximately 14% of the Airport's enplanements). All of the above figures reflect Airport enplanements for the prior 12 months ending May 2018. The Airport competes with the two other major Bay Area commercial airports, San Francisco International Airport ("SFO") and Norman Y. Mineta San José International Airport ("SJC") and is the second busiest Bay Area commercial airport.

Air carriers operating at the Airport fly to destinations within California, across the US, Mexico and eight destinations in Europe. As of June 2018, airlines collectively operate 78 routes to 63 destinations with air carrier competition on 13 routes. There are 21 short-haul (up to 600 air-miles), 27 medium-haul (between 601 and 1,800 air-miles) and 30 long-haul routes (between 1800 and 6,254 air-miles) including 11 transoceanic routes to the Hawaiian Islands and Western Europe. The Airport also has significant air cargo service by FedEx and United Parcel Service (UPS), as well as the passenger air carriers.

The Airport's facilities consist generally of terminal complex, airfield, parking areas, a consolidated rental car center, air cargo, business, general aviation and maintenance facilities. The Airport's commercial passenger terminals consist of two terminal buildings, which collectively have approximately 556,000 gross square feet of space and 29 gates, all equipped with loading bridges and joined by a post-security connector corridor. The Airport also has ramp parking and loading/unloading positions. The Airport has a fully-instrumented 10,000-foot main commercial runway, long enough to accommodate all types of commercial passenger and air cargo aircraft. This runway primarily serves commercial air carrier operations and business jet departures. In addition, there are three runways of 6,212 feet, 5,458 feet and 3,376 feet used primarily for business and general aviation purposes and as a back-up when the main air carrier runway is closed for maintenance or construction.

Both FedEx and UPS operate major cargo facilities at the Airport. In particular, the Airport houses FedEx's West Coast hub for its express package operations, which is among the five largest FedEx hubs in the world. FedEx operates an approximately 220,000 square foot domestic sorting facility and an approximately 100,000 square foot international clearance station along with adjacent aircraft apron on approximately 75 acres. UPS occupies an approximately 49,000 square foot facility where it conducts daily containerized loading activities.

The public vehicle parking facilities at the Airport can accommodate approximately 7,000 vehicles, in the Premier, Hourly, Daily and Economy parking lots. In addition to the public parking spaces, there are approximately 1,700 non-public parking spaces in various lots located at the Airport for use by Airport, airline, tenant, government and vendor/contractor staff.

Other major facilities include: two executive general aviation terminals, a consolidated rental car facility (including maintenance and vehicle storage facilities); ten large aircraft hangars serving corporate and general aviation tenants and customers; and a number of smaller hangars used to house general aviation aircraft

In calendar year 2017, the Airport served approximately 13.1 million passengers, and handled approximately 626 thousand tons of air cargo. For the period January through April 2018, the Airport served 4,032,461 passengers, of which 2,002,783 were enplaning passengers. This is 5.3% higher than in the same period in 2017. For the period January through April 2018 the Airport handled approximately 210 thousand tons of cargo, which was approximately 12.5% higher than in the same period in 2017. For calendar year 2016, the Airport ranked 36th in the United States in terms of total passengers and 14th in the United States in terms of air cargo tonnage, based on data from the North American Airport Traffic Summary (Top 50 Airports), compiled by the Airports Council International – North America.

Commercial Real Estate Division

Commercial Real Estate includes all Port properties not used or intended to be used for Maritime or Aviation purposes. The major properties are categorized into four distinct geographic areas – Jack London Square, Embarcadero Cove, the Oakland Airport Business Park/Distribution Center and Brooklyn Basin (formerly called Oak-to-Ninth District). Over the last approximately two decades, the Commercial Real Estate Division has leased most of its properties to developers or tenants under long-term ground leases, under which the developer or tenant is responsible for the development, subleasing, operation and maintenance of the improvements on the properties. As a result, the Commercial Real Estate Division's role has changed from property management, or day-to-day management of properties, to an asset management role for the majority of the properties. As an asset manager, the Commercial Real Estate Division oversees the billing and revenue collection from these agreements, monitors compliance with these agreements, and negotiates amendments or new agreements for this portfolio.

Jack London Square is a mixed-use waterfront commercial development, located along the Oakland Estuary at the foot of Broadway, approximately one-half mile from the Oakland City Center. This area includes office, retail, hotel, restaurant, parking, and entertainment facilities and significant amounts of public access and events space. The Port owns the majority of the land in Jack London Square. Most of the Port's revenues in this area come from fixed ground leases and parking revenues.

Embarcadero Cove is comprised of properties located on the Embarcadero roadway that runs along the waterfront of the Oakland Estuary, extending from 10th Avenue to 23rd Avenue. The Embarcadero Cove properties include four recreational marinas with a total of 357 berths, a public fishing pier, shops, various office buildings, three hotels, several restaurants and Union Point Park.

The majority of these properties are leased by the Port to various tenants under long-term agreements. Under these leases, the tenant is responsible for the development, maintenance and operating costs of its facilities (except in limited circumstances where the Port has retained minor maintenance obligations) and must provide for minimum annual guaranteed payments to the Port. In some instances, the Port also receives a participation or variable rent payment derived from a portion of the tenants' gross revenues in addition to the minimum annual guaranteed amounts.

The Oakland Airport Business Park/Distribution Center includes approximately 718 acres, of which approximately 637 acres are leased at nominal rent to the East Bay Regional Park District. Of the approximately 81 acres remaining, as of May 1, 2018 approximately 77 acres were ground leased to approximately seven Port tenants. Most of the current lease agreements are long-term in nature and contain warehouse-distribution type tenants, storage yards for delivery/commercial vehicles, and one hotel.

The Brooklyn Basin District (which also includes the "Brooklyn Basin" project), consists of approximately 64+ acres, and contains the City's largest new waterfront development project. In 2003, the Port entered into an option agreement with Oakland Harbor Partners, LLC ("Oakland Harbor Partners") for the property. The option agreement provided for the sale of half of the site to Oakland Harbor Partners for construction of 3,100 new residential units and approximately

200,000 square feet of neighborhood commercial space, and for the lease of the other half of the site for development of 32 acres of open space. In June 2013 Zarsion-Oakland Harbor Partners ("ZOHP"), successors in interest to Oakland Harbor Partners, and the Port closed escrow on the property. Total funds received by the Port from the property transfer were approximately $19.4 million. The Port transferred the fee title for approximately 50% of the land at close of escrow, totaling approximately 32 acres, and executed a long-term ground lease for the remaining approximately 32 acres with ZOHP as well as a marina lease for development and renovation of two recreational marinas located on Port-owned water immediately adjacent to the site. Construction of the project began in 2017 with the first approximately 450 residential units and 8 acres of open space and is expected to continue for future phases through approximately 2024. There are three other small industrial and commercial tenants located on Port owned land within the Brooklyn Basin District but which are not part of the Brooklyn Basin project.

Capital Projects

Proceeds from the sale of its Commercial Paper Notes will be used primarily to finance and refinance projects or portions of projects described in the Port's 5-year capital program, known as the Capital Improvement Plan (the "CIP"). To finance its capital program, the Port has previously issued Commercial Paper Notes and long-term revenue bonds, and may issue additional Notes or additional long-term revenue bonds as necessary.

Each year, the Board adopts a one-year capital budget for the upcoming Fiscal Year. In June 2017, the Board authorized a Fiscal Year 2018 capital budget in the amount of approximately $105.8 million and as of March 31, 2018 the Board had authorized a further $72.1 million. In June 2018 the Board will consider a Fiscal Year 2019 capital budget totaling approximately $34.7 million, which represents a significant reduction from the prior year due in part to the completion of major projects in Fiscal Year 2018. The Port's capital program can be revised from time to time and projects may be added or removed as the needs of the Port evolve. In addition, completion of projects will depend on the availability of cash, financing, and/or other sources of funding, and no assurance can be given that these sources will be available. The Port's anticipated major capital projects over the next five years (and possibly beyond) are summarized below. The major capital projects funded by the Port are primarily intended to ensure regulatory compliance, provide life and safety-related improvements, and maintain revenue. The proposed CIP does not currently include significant capacity expansion projects.

Maritime Division – Maritime capital improvements over the next five years comprise almost $300 million of marine terminal, logistics facility, security and roadway infrastructure projects, of which only $128.7 million will be funded by the Port directly through is proposed 5-year CIP. The proposed 5-year CIP includes $20.3 million to support the Port's planned Seaport Logistics Complex, $34.8 million for crane raising, wharf upgrades and other improvements at the terminals, $29 million for water, sewer and electrical infrastructure projects, and $19.2 million for roadway improvements. Finally, security and other various improvements have been proposed totaling $25.4 million.

Aviation Division – The proposed 5-year CIP includes approximately $361.1 million of projects at the Airport and is divided into several programmatic areas. Approximately $123.9 million is included for taxiway and hangar apron improvements, airfield signage replacement, pavement improvements, and fire truck vehicle replacement. A further $52.4 million has been identified for Airport Perimeter Dike improvements as well as $93.8 million for various terminal improvements. Ground access and security improvements have been proposed totaling $14 million and $17.1 million respectively. Finally, $31.6 million has been proposed for water, sewer, and electrical infrastructure projects.

Commercial Real Estate Division – There are no current major capital projects planned or underway for the Commercial Real Estate Division.

THE COMMERCIAL PAPER NOTES

The ABC Notes are authorized to be issued pursuant to the Charter and the Trust Indenture dated as of October 1, 1998 between the Board and U.S. Bank National Association (as successor-in-interest to U.S. Bank Trust National Association), as trustee (as amended, the "ABC Indenture").

The DEF Notes are authorized to be issued pursuant to the Charter and the Trust Indenture dated as of September 1, 1999 between the Board and U.S. Bank National Association (as successor-in-interest to U.S. Bank Trust National Association), as trustee (as amended, the "DEF Indenture" and, together with the ABC Indenture, the "Commercial Paper Indentures").

The Commercial Paper Notes are being issued to provide moneys to finance or refinance a portion of the costs of acquisition, construction, reconstruction, improvement and expansion of the Port's marine, airport and other facilities and to pay principal of and interest on maturing Commercial Paper Notes, all as set forth in the Commercial Paper Indentures. The Board may issue an aggregate principal amount of ABC Notes up to $150 million and an aggregate principal amount of DEF Notes up to $50 million.

The Commercial Paper Notes (i) will be dated the date of their respective authentication and issuance, (ii) will be issued in book-entry form, only in denominations of $100,000 and in integral multiples of $1,000 in excess of $100,000 and (iii) will each bear interest from their respective dated dates, payable at their respective maturity dates.

The Commercial Paper Notes will be issued as fully registered notes and registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Beneficial ownership interests in the Commercial Paper Notes will be available in book-entry form only, and purchasers of the Commercial Paper Notes will not receive certificates representing their interests in the Commercial Paper Notes purchased. While held in book-entry only form, all payments of principal of and interest on the Commercial Paper Notes will be made by wire transfer to DTC or its nominee as the sole registered owner of the Commercial Paper Notes. Payments to the beneficial owners are the responsibility of DTC and its participants. See Appendix B — "Information Regarding DTC and the Book-Entry System."

Each Series A Note, Series B Note, Series D Note and Series E Note (i) will bear interest payable at maturity at an annual rate calculated on the basis of a year of 365/366 days and the

actual number of days elapsed, not to exceed 12% per annum, (ii) will mature on a Business Day not more than 270 days after its date, but not later than 16 days prior to the date of expiration of the applicable Letter of Credit, and (iii) will be sold at a price of not less than 100% of the principal amount thereof. Each Series C Note and Series F Note (i) will accrete interest payable at maturity at an imputed annual yield calculated on the basis of a 360-day year and the actual number of days elapsed, not to exceed 12% per annum, (ii) will mature on a Business Day not more than 270 days after its date, but not later than 16 days prior to the date of expiration of the applicable Letter of Credit, and (iii) will be sold without coupons at a discounted price designed to produce an imputed yield to maturity at or below the prevailing market yield on comparable taxable commercial paper notes at the time of sale.

THE LETTERS OF CREDIT

The Letters of Credit and the Commercial Paper Notes

The ABC Notes are payable from and supported by the ABC Letter of Credit. The Board's obligation to reimburse Bank of America for draws on the ABC Letter of Credit are governed by the terms of that certain Reimbursement Agreement dated as of June 13, 2016 (as subsequently amended, the "ABC Reimbursement Agreement"), by and between the Board and Bank of America.

The ABC Letter of Credit is in the original stated amount of $163,315,069 (the "ABC Original Stated Amount"), which is the sum of (i) the total aggregate principal amount of ABC Notes authorized to be issued under the ABC Letter of Credit, plus (ii) interest thereon at the rate of twelve percent (12%) per annum for a period of 270 days on the basis of a 365-day year. The ABC Letter of Credit will expire by its terms on June 30, 2019.

The DEF Notes are payable from and supported by the DEF Letter of Credit. The Board's obligation to reimburse Bank of America for draws on the DEF Letter of Credit are governed by the terms of that certain Reimbursement Agreement dated as of June 13, 2017 (the "DEF Reimbursement Agreement" and, together with the "ABC Reimbursement Agreement, the "Reimbursement Agreements"), by and between the Board and Bank of America.

The DEF Letter of Credit is in the original stated amount of $54,438,357 (the "DEF Original Stated Amount"), which is the sum of (i) the total aggregate principal amount of DEF Notes authorized to be issued under the DEF Letter of Credit, plus (ii) interest thereon at the rate of twelve percent (12%) per annum for a period of 270 days on the basis of a 365-day year. The DEF Letter of Credit will expire by its terms on June 30, 2019.

The ABC Letter of Credit does not secure and is not available for payments in respect of the DEF Notes, and, similarly, the DEF Letter of Credit does not secure and is not available for payments in respect of the ABC Notes. The Commercial Paper Indentures require the Board to maintain in effect one or more letters of credit meeting their respective requirements as long as the Commercial Paper Notes are outstanding.

Drawings and Substitute Letters of Credit

The Issuing and Paying Agent shall draw upon the applicable Letter of Credit in an amount sufficient to pay both principal of and interest on the Commercial Paper Notes when due. The Board may obtain a substitute letter of credit to replace either Letter of Credit so long as said substitute letter of credit shall go into effect at least one business day prior to the termination of such prior Letter of Credit. The substitution will have no effect on outstanding Commercial Paper Notes, only on Commercial Paper Notes issued on or after the date of substitution. The Issuing and Paying Agent shall deliver written notice to the registered owners of the Commercial Paper Notes at least 30 days prior to the substitution date.

ADDITIONAL SECURITY FOR THE COMMERCIAL PAPER NOTES

The Commercial Paper Notes are special, limited obligations of the Board.

The payment of the principal of, and interest on, the ABC Notes is payable from and secured by a pledge of, lien on and security interest in all Available Pledged Revenues of the Board and all amounts in the funds and accounts created or maintained pursuant to the ABC Indenture, the Issuing and Paying Agent Agreement, dated as of August 1, 2010, as amended, by and between the Board and U.S. Bank National Association, as the Issuing and Paying Agent relating to the ABC Notes (the "ABC Issuing and Paying Agent Agreement"), or any certificate executed and delivered by the Board that makes representations and covenants to reflect the Board's compliance with applicable provisions of the Internal Revenue Code (a "Tax Certificate") (except certain Rebate Funds), including earnings on such amounts, subject only to the provisions of the ABC Indenture and the ABC Issuing and Paying Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

The payment of the principal of, and interest on, the DEF Notes is payable from and secured by a pledge of, lien on and security interest in all Available Pledged Revenues of the Board and all amounts in the funds and accounts created or maintained pursuant to the DEF Indenture, the Issuing and Paying Agent Agreement, dated as of August 1, 2010, as amended, by and between the Board and U.S. Bank National Association, as the Issuing and Paying Agent relating to the DEF Notes (the "DEF Issuing and Paying Agent Agreement" and, together with the ABC Issuing and Paying Agent Agreement, the "Issuing and Paying Agent Agreements") or any Tax Certificate (except certain Rebate Funds), including earnings on such amounts, subject only to the provisions of the DEF Indenture and the DEF Issuing and Paying Agent Agreement, permitting the application thereof for the purposes and on the terms and conditions set forth therein.

The pledges, liens and security interests of the ABC Notes and DEF Notes shall be junior and subordinate, first to the pledge of Pledged Revenues and the lien created thereon by the Senior Lien Indenture in favor of the Senior Lien Bonds, second to the pledge of Pledged Revenues and the lien created thereon by the DBW Loans (defined below) in favor of the Board's repayment obligations thereunder and third to the pledge of Pledged Revenues and the lien created thereon by any Subordinate Revenue Bonds Indenture, including the Intermediate Lien Indenture, in favor of the Intermediate Lien Bonds and any other Subordinate Revenue Bonds.

Available Pledged Revenues are defined in the Commercial Paper Indentures as "Pledged Revenues" as defined in the Amended and Restated Master Trust Indenture, dated as of April 1, 2006, between the Board and U.S. Bank National Association as further amended and supplemented from time to time (the "Senior Lien Indenture") after payment therefrom (i) first, of all amounts required to be paid and then due and payable under the Senior Lien Indenture for the principal, interest, reserve fund and any other debt service requirements or related obligations on any bond issued or incurred pursuant to the Senior Lien Indenture (the "Senior Lien Bonds") (ii) second, any debt service requirements then due and payable on any loans and any other evidences of indebtedness of the Board owing to the California Department of Boating and Waterways (the "DBW Loans"), and (iii) third, all amounts required to be paid and then due and payable for the principal, interest, reserve fund and any other debt service requirements or related obligations on any bond or other indebtedness issued or incurred pursuant to an indenture or agreement of the Board (a "Subordinate Revenue Bonds Indenture") and secured in whole or in part by Pledged Revenues on a basis subordinate to the Senior Lien Bonds, but expressly stated to be superior in right to payment of the Commercial Paper Notes (the "Subordinate Revenue Bonds"). Subordinate Revenue Bonds include all bonds and other obligations of the Board (the "Intermediate Lien Bonds") issued or issuable under that certain Intermediate Lien Master Trust Indenture dated as of October 1, 2007, as further amended and supplemented from time to time, between the Board and U.S. Bank National Association, as trustee (the "Intermediate Lien Indenture").

"Pledged Revenues" are generally defined under the Senior Lien Indenture as all income, receipts, earnings and revenues of the Board from the operation and/or ownership of the Port, excluding (i) any amounts received from the imposition of ad valorem taxes, (ii) gifts, grants, passenger facility charges and customer facility charges that are restricted by their terms to purposes inconsistent with the payment of debt service, (iii) insurance proceeds to the extent the use of such proceeds are restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service and (iv) revenues of special facilities which revenues are the sole source of payment as to the principal of, and interest on, indebtedness issued or incurred with respect to such special facilities.

The granting of this pledge by the Board does not limit in any manner the rights of the Board to issue or incur any additional obligations payable on a parity with or subordinated in right of payment to the Commercial Paper Notes, or from granting a security interest in the Available Pledged Revenues to any other person in connection with such additional obligations. Additionally, as of June 14, 2018 the Board has outstanding $637,745,000 principal amount of Senior Lien Bonds, $4,172,257 principal amount of a DBW Loan, and $253,950,000 principal amount of Intermediate Lien Bonds. The Commercial Paper Indentures do not restrict the Board's ability to incur additional Senior Lien Bonds, DBW Loans or Intermediate Lien Bonds, or to incur other Subordinate Revenue Bonds of any kind. The Board may issue additional Senior Lien Bonds, Intermediate Lien Bonds and/or Subordinate Revenue Bonds in the future.

Each of the Senior Lien Indenture and the Intermediate Lien Indenture contains a covenant that the Board will, at all times while any Senior Lien Bonds or Intermediate Lien Bonds, respectively, are outstanding, establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Port so that Pledged Revenues in each fiscal year will be sufficient to pay (a) under the Senior Lien Indenture, principal of and interest on the outstanding Senior Lien

Bonds as the same become due and payable in such year and other payments required under the Senior Lien Indenture, and under the Intermediate Lien Indenture, principal of and interest on the outstanding Senior Lien Bonds, DBW Loans, and Intermediate Lien Bonds, in each case as the same become due and payable in such year, and other payments required under the Intermediate Lien Indenture, (b) the Port's ongoing legal obligations to be paid from Pledged Revenues and (c) any operation and maintenance expenses of the Port.

The aforementioned covenants are only enforceable by holders of Senior Lien Bonds and/or Intermediate Lien Bonds and not holders of Commercial Paper Notes. Prospective investors in a series of the Commercial Paper Notes therefore should not base their investment decision on the existence of such covenants.

Neither the faith and credit nor taxing power of the City, the State of California or any public agency, other than the Board to the extent of the Available Pledged Revenues, is pledged to the payment of the principal of, or interest on, the Commercial Paper Notes. The Board has no power of taxation.

If for any reason the Bank fails to make a payment due under either of its Letters of Credit, no assurance can be given that the Board would have sufficient funds on hand and available to make the corresponding payment of principal of and interest on the applicable Commercial Paper Notes. Prospective investors in a series of the Commercial Paper Notes therefore should base their investment decision on the credit standing of the Bank whose Letter of Credit secures that series, rather than the credit standing of the Board.

THE LETTER OF CREDIT BANK

The information in this section has been furnished by the Bank for inclusion herein. The Board cannot and does not make any representation as to the accuracy or completeness of such information or the absence of material adverse changes in such information subsequent to the date hereof.

Bank of America, N.A.

Bank of America, N.A. ("Bank of America") is a national banking association organized under the laws of the United States, with its principal executive offices located in Charlotte, North Carolina. Bank of America is a wholly-owned indirect subsidiary of Bank of America Corporation (the "Corporation") and is engaged in a general consumer banking, commercial banking and trust business, offering a wide range of commercial, corporate, international, financial market, retail and fiduciary banking services. As of March 31, 2018, Bank of America had consolidated assets of $1.77 trillion, consolidated deposits of $1.410 trillion and stockholder's equity of $205.71 billion based on regulatory accounting principles.

The Corporation is a bank holding company and a financial holding company, with its principal executive offices located in Charlotte, North Carolina. Additional information regarding the Corporation is set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2017, together with its subsequent periodic and current reports filed with the Securities and Exchange Commission (the "SEC").

Filings can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, United States, at prescribed rates. In addition, the SEC maintains a website at http://www.sec.gov which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC.

The information concerning the Corporation and Bank of America is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the referenced documents and financial statements referenced therein.

Bank of America will provide copies of the most recent Bank of America Corporation Annual Report on Form 10-K, any subsequent reports on Form 10-Q, and any required reports on Form 8-K (in each case as filed with the SEC pursuant to the Exchange Act), and the publicly available portions of the most recent quarterly Call Report of Bank of America delivered to the Comptroller of the Currency, without charge, to each person to whom this document is delivered, on the written request of such person. Written requests should be directed to:

Bank of America Corporate Communications
100 North Tryon St, 18th Floor
Charlotte, North Carolina 28255
Attention: Corporate Communication

PAYMENTS OF PRINCIPAL AND INTEREST ON THE ABC NOTES WILL BE MADE FROM DRAWINGS UNDER THE ABC LETTER OF CREDIT. PAYMENTS OF THE PURCHASE PRICE OF THE ABC NOTES WILL BE MADE FROM DRAWINGS UNDER THE ABC LETTER OF CREDIT IF REMARKETING PROCEEDS ARE NOT AVAILABLE. ALTHOUGH THE ABC LETTER OF CREDIT IS A BINDING OBLIGATION OF BANK OF AMERICA, THE ABC NOTES ARE NOT DEPOSITS OR OBLIGATIONS OF THE CORPORATION OR ANY OF ITS AFFILIATED BANKS AND ARE NOT GUARANTEED BY ANY OF THESE ENTITIES. THE ABC NOTES ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND ARE SUBJECT TO CERTAIN INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

PAYMENTS OF PRINCIPAL AND INTEREST ON THE DEF NOTES WILL BE MADE FROM DRAWINGS UNDER THE DEF LETTER OF CREDIT. PAYMENTS OF THE PURCHASE PRICE OF THE DEF NOTES WILL BE MADE FROM DRAWINGS UNDER THE DEF LETTER OF CREDIT IF REMARKETING PROCEEDS ARE NOT AVAILABLE. ALTHOUGH THE DEF LETTER OF CREDIT IS A BINDING OBLIGATION OF BANK OF AMERICA, THE DEF NOTES ARE NOT DEPOSITS OR OBLIGATIONS OF THE CORPORATION OR ANY OF ITS AFFILIATED BANKS AND ARE NOT GUARANTEED BY ANY OF THESE ENTITIES. THE DEF NOTES ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND ARE SUBJECT TO CERTAIN INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

The delivery of this information shall not create any implication that there has been no change in the affairs of the Corporation or the Bank of America since the date of the most recent filings referenced herein, or that the information contained or referred to in this herein is correct as of any time subsequent to the referenced date.

THE DEALER

The Board has appointed Goldman, Sachs & Co. LLC, as Dealer with respect to the offering and sale of the ABC Notes and the DEF Notes pursuant to two separate Dealer Agreements, each dated as of August 1, 2010, as may be amended and supplemented (the "Dealer Agreements"). The Dealer Agreements, among other things, do not require the Dealer to purchase Commercial Paper Notes. Furthermore, pursuant to each of the Dealer Agreements, the Dealer may resign or be replaced by the Board.

TAX MATTERS

Tax-Exempt Notes

On June 13, 2017, Orrick, Herrington & Sutcliffe LLP, Special Tax Counsel to the Board ("Special Tax Counsel"), delivered its opinion that, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Notes, when issued in accordance with the Tax Certificate and the Commercial Paper Indentures, will be excluded from gross income for federal income tax purposes under Section 103 of the Code, except that no opinion was expressed as to the status of interest on any Series A Note or Series D Note for any period that such Series A Note or Series D Note is held by a "substantial user" of the facilities financed or refinanced by the Series A Notes or Series D Notes, or by a "related person" to such a substantial user within the meaning of Section 147(a) of the Code. It was the further opinion of Special Tax Counsel that interest on the Series B Notes and Series E Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Special Tax Counsel observed that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Special Tax Counsel also observed that interest on the Series A Notes and Series D Notes is a specific preference item for purposes of the federal individual and corporate alternative minimum taxes.

Special Tax Counsel was of the further opinion that the amount treated as interest on the Tax-Exempt Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Special Tax Counsel was also of the opinion that interest on the Tax-Exempt Notes is exempt from State of California personal income taxes. A complete copy of the opinion of Special Tax Counsel delivered on June 13, 2017 is set forth in Appendix A-2 hereto.

Special Counsel has not taken, and does not intend to take, any action to update its original opinion delivered on June 13, 2017 or to determine if interest on the Tax-Exempt Notes is presently excluded from gross income for federal income tax purposes and exempt from State of California personal income tax purposes. Nonetheless, investors should be aware of the following information.

Effective for tax years beginning after December 31, 2017, the corporate alternative minimum tax has been repealed.

Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Tax-Exempt Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Tax-Exempt Notes if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Notes. The Board has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Tax-Exempt Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Tax-Exempt Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-Exempt Notes. The opinion of Special Tax Counsel assumed the accuracy of these representations and compliance with these covenants. Special Tax Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Special Tax Counsel's attention after June 13, 2017 may adversely affect the value of, or the tax status of interest on, the Tax-Exempt Notes. Accordingly, the opinion of Special Tax Counsel was not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Special Tax Counsel was of the opinion that interest on the Tax-Exempt Notes is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Tax-Exempt Notes may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Special Tax Counsel expressed no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Tax-Exempt Notes to be subject, directly or indirectly, in whole or in part, 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. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Tax-Exempt Notes. Prospective purchasers of the Tax-Exempt Notes should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Tax Counsel expressed no opinion.

The opinion of Special Tax Counsel was based on then-current legal authority, covered certain matters not directly addressed by such authorities, and represented Special Tax Counsel's judgment as to the proper treatment of the Tax-Exempt Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Special Tax Counsel could not give and did not give any opinion or assurance about the future activities of the Board, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Unless separately engaged, Special Tax Counsel is not obligated to defend the Board or the beneficial owners regarding the tax-exempt status of the Tax-Exempt Notes in the event of an audit examination by the IRS. Under current procedures, parties other than the Board and their appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Tax-Exempt Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Tax-Exempt Notes, and may cause the Board or the beneficial owners to incur significant expense.

Taxable Notes

In the opinion of Special Tax Counsel delivered on June 13, 2017, Special Counsel was of the opinion that interest on the Series C Notes and Series F Notes (together, the "Taxable Notes") is exempt from State of California personal income taxes. Special Tax Counsel expressed no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Taxable Notes. Interest on the Taxable Notes is not expected to be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Prospective investors in the Taxable Notes should consult their own tax advisors to determine the federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Taxable Notes in light of their particular circumstances.

LEGAL MATTERS

Certain legal matters in connection with the authorization and issuance of the Commercial Paper Notes are subject to the approval of O'Melveny & Myers LLP, as Bond Counsel. The form of the opinion delivered by Bond Counsel is attached hereto as Appendix A-1. Bond Counsel has not passed upon the accuracy, completeness or sufficiency of this Offering Memorandum and has not rendered a legal opinion with respect thereto for the benefit of investors.

Certain legal matters in connection with the authorization and issuance of the Commercial Paper Notes are subject to the approval of Orrick, Herrington & Sutcliffe LLP, as Special Tax Counsel. The form of the opinion delivered by Special Tax Counsel is attached hereto as Appendix A-2. Special Tax Counsel has not passed upon the accuracy, completeness or sufficiency of this Offering Memorandum and has not rendered a legal opinion with respect thereto for the benefit of investors.

Certain legal matters in connection with the Reimbursement Agreements and the Letters of Credit were subject to the approval of McGuire Woods LLP, as special counsel for Bank of America. Certain legal matters in connection with the authorization of the Commercial Paper Indentures and the Commercial Paper Notes were subject to the approval of the Port Attorney of the Port.

RATINGS

Based on the short-term ratings of Bank of America, Standard & Poor's, Moody's Investors Service, Inc. and Fitch Ratings have assigned ratings on the ABC Notes and the DEF Notes of A-1, P-1 and F1, respectively.

The ratings described above reflect only the views of the respective ratings organizations, and explanations of the significance of such ratings may be obtained only from the agencies at the following addresses: Standard & Poor's Ratings Service, 55 Water Street, 38th floor, New York, New York 10041-0003; Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, NY 10007 and Fitch Ratings, 33 Whitehall Street, New York, New York 10004. The Board has furnished to such rating agencies certain information and materials regarding the Commercial Paper Notes and the Port. In addition, Bank of America furnished certain information to such rating agencies regarding the Bank and the Letters of Credit. Generally, rating agencies base their ratings on the information and materials furnished to them and on their own investigations, studies and assumptions. There is no assurance any such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstance so warrant. Any such change in or withdrawal of such ratings could have an adverse effect on the market price of the applicable Commercial Paper Notes. The Board undertakes no responsibility to oppose any such change or withdrawal. The above ratings are not recommendations to buy, sell or hold any of the Commercial Paper Notes, and such ratings may be subject to revision or withdrawal at any time by the rating agencies.

ADDITIONAL INFORMATION

Copies of the Senior Lien Indenture, the Intermediate Lien Indenture, the Commercial Paper Indentures, the Letters of Credit, the Reimbursement Agreements and the Issuing and Paying Agent Agreements may be obtained from the Dealer and may also be obtained from the Board at the following address:

Port of Oakland, California
530 Water Street
Oakland, CA 94607
Attention: Chief Financial Officer

Rule 15c2-12 (the "Rule") under the Securities Exchange Act of 1934 requires the Board to file certain disclosure updates with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") in connection with the Port's outstanding revenue bonds only. The Port is not required to submit such disclosure updates with regards to the Commercial Paper Notes. Investors may review such disclosure updates filed with EMMA for general information relating to the Port only, and no further obligation to update or revise the Port's disclosure filed with the EMMA is created in connection with the Commercial Paper Notes by this reference.

APPENDIX A-1

[FORM OF OPINION OF BOND COUNSEL]

Board of Port Commissioners of
the City of Oakland, California
530 Water Street
Oakland, California

Ladies and Gentlemen:

We are acting as Bond Counsel in connection with the authorization and issuance from time to time by the Board of Port Commissioners of the City of Oakland, California (the "Board") of its Commercial Paper Notes, Series A, Series B, Series C, Series D, Series E and Series F (individually, the "Series A Notes", the "Series B Notes", the "Series C Notes", "Series D Notes," the "Series E Notes," and the "Series F Notes" and, collectively, the "Notes"). In that connection, we have examined the Constitution and statutes of the State of California, Article VII of the Charter of the City of Oakland, California (the "Act"), copies of that certain Trust Indenture, dated October 1, 1998 between the Board and U.S. Bank National Association (as successor-in-interest to U.S. Bank Trust National Association), as trustee (the "ABC Indenture"), and copies of that certain Trust Indenture, dated September 1, 1999 between the Board and U.S. Bank National Association (as successor-in-interest to U.S. Bank Trust National Association), as trustee (the "DEF Indenture" and, together with the ABC Indenture, the "Indentures"). We have also made such other investigations of fact and law as we have deemed necessary. Except as otherwise indicated, capitalized terms used in this opinion and defined in the ABC Indenture or the DEF Indenture will have the meanings given in the ABC Indenture or the DEF Indenture, as applicable.

Based upon the foregoing and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. The Notes, once issued in duly authorized form, executed by duly authorized officials of the Board and authenticated by the Issuing and Paying Agent, when delivered to and paid for by the purchasers thereof, will constitute legally valid and binding obligations of the Board, enforceable in accordance with their terms and the terms of the applicable Indenture.

2. Each of the ABC Indenture and the DEF Indenture has been duly adopted by the Board and constitutes the legally valid and binding obligation of the Board, enforceable against the Board in accordance with its terms, assuming due authorization, execution and delivery by the other party thereto.

3. The Series A, Series B and Series C Notes, once issued in duly authorized form, will be limited obligations of the Board payable as to both principal and interest from and secured by a pledge of, lien on and security interest in (i) all Available Pledged Revenues and (ii) all amounts in the funds and accounts created or maintained pursuant to the ABC Indenture, the applicable Issuing and Paying Agent Agreement, or any applicable Tax Certificate (except the Rebate Fund), including earnings on such amounts, subject only to the provisions of the ABC

Indenture and the applicable Issuing and Paying Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein. The Series D, Series E and Series F Notes, once issued in duly authorized form, will be limited obligations of the Board payable as to both principal and interest from and secured by a pledge of, lien on and security interest in (i) all Available Pledged Revenues and (ii) all amounts in the funds and accounts created or maintained pursuant to the DEF Indenture, the applicable Issuing and Paying Agent Agreement, or any applicable Tax Certificate (except the Rebate Fund), including earnings on such amounts, subject only to the provisions of the DEF Indenture and the applicable Issuing and Paying Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein. The pledges, liens and security interests of the Notes are junior and subordinate first to the pledge of Pledged Revenues and the lien created thereon by the Senior Lien Indenture with respect to Senior Lien Bonds, and second to the pledge of Pledged Revenues and the lien created thereon with respect to DBW Loans and any Subordinate Revenue Bonds. Neither the faith and credit nor the taxing power of the City of Oakland, the State of California or any public agency, other than the Board to the extent of the Available Pledged Revenues, is pledged to the payment of the principal of, or interest on, the Notes. The Board has no power of taxation.

For purposes of the opinions set forth above, we have assumed that the Board will duly authenticate the Notes.

Our opinions in paragraphs (1) and (2) above as to the enforceability of the Notes and the Indentures are subject to (a) bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws), (b) general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and (c) the unenforceability under certain circumstances of provisions imposing penalties, forfeitures or an increase in interest rates upon delinquency in payment or the occurrence of a default.

No opinion is expressed herein on the accuracy, completeness or sufficiency of the offering material relating to the Notes.

We further express no opinion as to any Federal or State tax consequences of the ownership of, receipt of interest on, or disposition of the Notes.

You may rely on this opinion as to any Note issued after the date hereof to the extent that, at the date of issuance of such Note, (i) there is no change or proposed change in law from that in effect on the date hereof, (ii) the representations and warranties contained in the applicable Indenture executed and delivered by the Board (and supplements and additions thereto) remain true and correct, (iii) the Board continues to comply with its covenants contained in such documents, and (iv) we continue to serve as Bond Counsel to the Board in connection with the issuance of such Notes.

Respectfully submitted,

APPENDIX A-2

[FORM OF OPINION OF SPECIAL TAX COUNSEL]

June 13, 2017

Board of Port Commissioners of
the City of Oakland, California
530 Water Street
Oakland, California 94607

Re: Port of Oakland, California Commercial Paper Notes (Special Tax Counsel Opinion)

Ladies and Gentlemen:

We have acted as Special Tax Counsel to the Board of Port Commissioners of the City of Oakland, California (the "Board") in connection with the authorization of issuance of its Commercial Paper Notes, Series A, Series B, Series C, Series D, Series E and Series F (individually, the "Series A Notes", the "Series B Notes," the "Series C Notes," the "Series D Notes," the "Series E Notes," and the "Series F Notes" and, collectively, the "Notes"). The Notes are authorized to be issued pursuant to Article VII of the Charter of the City of Oakland, California (the "Act"), a Trust Indenture, dated October 1, 1998, as supplemented and amended, including as supplemented and amended by a Second Supplemental Trust Indenture, dated as of June 1, 2017, between the Board and U.S. Bank National Association (as successor-in-interest to U.S. Bank Trust National Association), as trustee (as supplemented and amended, the "ABC Indenture"), and a Trust Indenture, dated September 1, 1999, as supplemented and amended by a First Supplemental Trust Indenture dated as of June 1, 2017, between the Board and U.S. Bank National Association (as successor-in-interest to U.S. Bank Trust National Association), as trustee (as supplemented and amended, the "DEF Indenture" and, together with the ABC Indenture, the "Indentures"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indentures.

In such connection, we have reviewed the Indentures, the Tax Certificate of the Board, dated the date hereof (the "Tax Certificate"), an opinion of O'Melveny & Myers LLP, Bond Counsel to the Board, dated June 13, 2016 (the "Bond Counsel Opinion"), certificates of the Board and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. In rendering the opinions expressed herein, we expressly have relied on the Bond Counsel Opinion that, among other matters, the Notes are valid, binding and enforceable in accordance with their terms. We call attention to the fact that the interest on the Series A Notes, Series B Notes, Series D Notes, and Series E Notes (the "Tax-Exempt Notes") may not be excluded from gross income for federal income tax purposes or that the interest on the Notes may not be exempt from State of California personal income taxes if the Notes are not valid, binding and enforceable in accordance with their terms.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof and before or after Notes are issued. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to and may not, be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies and the due and legal execution and delivery thereof by, and validity against, any parties other than the Board). We have assumed, without undertaking to verify, the accuracy (as of the date hereof and as of each date of issuance from time to time of the Notes) of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinion, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indentures and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Tax-Exempt Notes to be included in gross income for federal income tax purposes, possibly retroactive to the date on which the first Tax-Exempt Notes were issued. We call attention to the fact that the rights and obligations under the Notes, the Indentures and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against the Board in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or as subject to the lien of the Indentures or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Offering Memorandum or other offering material relating to the Notes and express no opinion with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. Interest on the Tax-Exempt Notes, when issued in accordance with the Indentures and the Tax Certificate, will be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to the status of interest on any Series A Note or Series D Note for any period that such Series A Note or Series D Note is held by a "substantial user" of the facilities financed or refinanced by the proceeds of the Series A Notes or Series D Notes, or by a "related person" within the meaning of Section 147(a) of the Code. The amount treated as interest on the Tax-Exempt Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Service Notice 94-84.

2. Interest on the Series B Notes and Series E Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that such interest is included in adjusted current earnings when calculating federal corporate alternative minimum taxable income. We also observe that interest on the Series A Notes and Series D Notes is a specific preference item for purposes of the federal individual and corporate alternative minimum taxes.

3. Interest on the Notes is exempt from State of California personal income taxes.

We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

APPENDIX B

Information Regarding DTC and the Book-Entry System

Portions of the following information concerning DTC and DTC's book-entry system have been obtained from DTC. The information in this Appendix B concerning DTC and DTC's book-entry system has been obtained from sources that the Board and the Dealer believe to be reliable, but the Board and the Dealer make no representation as to, and take no responsibility for, the accuracy or completeness of such information.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Commercial Paper Notes. The Commercial Paper 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 note will be issued for each series of the Commercial Paper Notes, each initially in the aggregate principal amount of such series, 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. 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 its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at *www.dtcc.com*.

Purchases of Commercial Paper Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Commercial Paper Notes on DTC's records. The ownership interest of each actual purchaser of each Commercial Paper Note ("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 Commercial Paper 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 notes representing their ownership interests in Commercial Paper Notes, except in the event that use of the book-entry system for the Commercial Paper Notes is discontinued.

To facilitate subsequent transfers, all Commercial Paper 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 Commercial Paper Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Commercial Paper Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Commercial Paper 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Commercial Paper 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 Board 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 Commercial Paper Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Commercial Paper 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 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 Issuing and Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Commercial Paper Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Issuing and Paying 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 Commercial Paper Notes at any time by giving reasonable notice to the Board or the Issuing and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Commercial Paper Note certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In the event of the discontinuance of the book-entry-only system for the Commercial Paper Notes, Commercial Paper Note certificates will be printed and delivered to DTC and the following provisions of the Commercial Paper Indentures will apply: (a) principal of and interest on the Commercial Paper Notes will be payable upon surrender of the Commercial Paper Notes at the principal office of the Issuing and Paying Agent, (b) Commercial Paper Notes may be transferred or exchanged for other Commercial Paper Notes of authorized denominations at the designated office of the Registrar, without cost to the owner thereof except for any tax or other governmental charges, and (c) Commercial Paper Notes will be issued in denominations as described above under "THE COMMERCIAL PAPER NOTES."

RFP No.: 18-19/07, Letter of Credit or Revolving Credit Facilities

By clicking "I AGREE" on the linked page below you will be able to download the Comprehensive Annual Financial Report for the Years Ended June, 30, 2018 and 2017.

Important Financial Documents Produced by the Port of Oakland

RFP No.: 18-19/07, Letter of Credit or Revolving Credit Facilities

By clicking "I AGREE" on the linked page below you will be able to download the One-Year Operating and Capital Budget document.

Important Financial Documents Produced by the Port of Oakland