

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES (the "Department") in connection with the issuance by the Department of its Harbor Department of the City of Los Angeles Revenue Bonds 2009 Series [], in an aggregate principal amount of \$[] (the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of June 1, 2009, by and between the Department and U.S. Bank National Association (the "Trustee") (the "Indenture"). The Department covenants as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Department for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-2(b)(5).

SECTION 2. Definitions. The definitions set forth in the Indenture apply to any capitalized term used in this Disclosure Certificate, unless such terms are otherwise defined in this Section 2 below:

"Annual Report" shall mean any Annual Report provided by the Department pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person who (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Disclosure Representative" shall mean the Executive Director of the Department, or such officer's designee, or such other officer or employee as the Department shall designate in writing from time to time.

"Dissemination Agent" shall mean the Department, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Department.

"Holders" shall mean either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in its depository system.

"Insurer" shall mean a financial guaranty insurance company insuring the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Participating Underwriter" shall mean any of the underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Repository" shall mean any nationally recognized municipal securities information repository certified by the Securities and Exchange Commission to be the recipient of information of the nature of the Annual Reports required by this Disclosure Certificate or such other repository or depository provided for by the Rule. Effective July 1, 2009, the Repository approved by the Securities and Exchange Commission is the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") site.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

"Tax Owner" means the owner of any Bonds for Federal income tax purposes. The assertion of any tax ownership of a Bond must be filed with full documentary support, as part of a written request pursuant to Section 10 hereof.

SECTION 3. Provision of Annual Reports.

(a) The Department shall, not later than 181 days after the end of the Department's fiscal year, commencing with the report for the end of the 2008-2009 Fiscal Year, prepare an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate and shall, or shall cause the Dissemination Agent, if applicable, to provide such Annual Report to the Repository in such form as required by the Repository and the Insurer not later than nine months after the end of the Department's fiscal year. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the Department may be submitted separately from the balance of the Annual Report, and later than the date required

above for the filing of the Annual Report if not available by that date. If the Department's fiscal year changes, the Department shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the Department shall provide the Annual Report to the Dissemination Agent (if other than the Department).

(c) If the Department is unable to provide the Repository an Annual Report as required in subsection 3(a), the Dissemination Agent shall send a notice to the Repository in substantially the form attached as Exhibit A hereto.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the Repository; and

(ii) (if the Dissemination Agent is other than the Department), file a report with the Department certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing the Repository to which it was provided.

SECTION 4. Content of Annual Reports. The Department's Annual Report shall be in format suitable for filing with the Repository and shall contain or incorporate by reference historical quantitative data concerning the Department (as defined in the Official Statement, dated [June __, 2009] relating to the Bonds), including (i) the Department's audited financial statements prepared in accordance with generally accepted accounting principles in effect from time to time and (ii) information in form and substance similar to tables 1, 2B and 3 through 11 set forth in Part II of the Official Statement up to June 30 of the most recently ended fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Department or related public entities, which have been submitted to the Repository. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Department shall clearly identify each such other document so included by reference.

In the event that information necessary to prepare the tables listed above becomes unavailable due to changes in accounting practices, legislative changes or organizational changes, the Department shall state in its Annual Report that such table will no longer be included in the Annual Report and the reasons therefor. Comparable information shall be provided if available.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Department shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if the Department determines that such event is material under applicable federal securities law:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. modifications to rights of Bond Holders;
4. optional, contingent or unscheduled bond calls;
5. defeasances;
6. rating changes;
7. adverse tax opinions or events adversely affecting the tax-exempt status of the Bonds;
8. unscheduled draws on the debt service reserves reflecting financial difficulties;
9. unscheduled draws on the credit enhancements reflecting financial difficulties;
10. substitution of credit or liquidity providers, or any failure by any credit or liquidity provider to perform; and
11. release, substitution or sale of property securing repayment of the Bonds.

(b) Whenever the Department obtains knowledge of the occurrence of a Listed Event the Department shall as soon as possible determine if such event would be material under federal securities laws.

(c) If the Department determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Department shall promptly file a notice of such occurrence with the Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

SECTION 6. Termination of Reporting Obligation. The obligations of the Department under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Department shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The Department may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice prepared by the Department pursuant to this Disclosure Certificate.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the Department may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided the following conditions are satisfied:

(a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Department or type of business conducted; and

(b) this Disclosure Certificate, as amended, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original execution and delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) the amendment does not materially impair the interests of Bond Holders, as determined by nationally recognized bond counsel; and

(d) in the event of any amendment or waiver of a provision of this Disclosure Certificate, the Department shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Department. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Department from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Department chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Department shall not have any obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Department or the Dissemination Agent, if applicable, to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Department, or the Dissemination Agent (if applicable), as the case may be, to comply with

its obligations under this Disclosure Certificate provided such action is taken in the Federal or State Court located in the County of Los Angeles, State of California, and provided further that no remedy other than substantial performance may be sought or granted against the Department. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Department to comply with this Disclosure Certificate shall be an action to compel substantial performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if one is appointed by the Department) shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Department agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of the disclosure of information pursuant to this Disclosure Certificate or out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Department under this Section shall survive resignation or removal of the Dissemination Agent, termination of Disclosure Certificate and payment of the Bonds. The Dissemination Agent (if not the Department) shall not have any responsibility or liability for the failure to report any Listed Event or any financial information or as to which the Department did not prepare a report in a format suitable for filing with the Repository.

No Holder or Beneficial Owner of the Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the Department satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the Department shall have refused to comply therewith within a reasonable time.

SECTION 12. Notices. Any notices or communications to the Department may be given as follows:

Harbor Department of the City of Los Angeles
 425 South Palos Verdes Street
 San Pedro, California 90731
 Attention: Executive Director
 Fax: (310) 831-6936
 Telephone: (310) 732-3827

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Department, the Dissemination Agent, the Participating Underwriter and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Signature. This Disclosure Certificate has been executed by the undersigned on the date hereof, and such signature binds the Department to the undertaking herein provided.

Dated: [____], 2009

HARBOR DEPARTMENT OF THE CITY OF LOS
 ANGELES

By: _____
 Executive Director

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Party: Harbor Department of the City of Los Angeles (the “Department”)
Name of Issue: Harbor Department of the City of Los Angeles Revenue Bonds, 2009 Series A and 2009 Series B (Delivered _____ 2009).

NOTICE IS HEREBY GIVEN that the Department has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated _____, 2009. [The Department has informed the undersigned that it anticipates that the Annual Report will be filed by _____.] [The undersigned Department is the Dissemination Agent under the Continuing Disclosure Certificate referred to herein.]

Dated: _____

HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES

By: _____
Title: _____

cc: Executive Director
Harbor Department of the City of Los Angeles