

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

1 RESOLUTION NO. RES-14-0045  
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH APPROVING THE INCURRENCE  
5 AND ISSUANCE BY THE BOARD OF HARBOR  
6 COMMISSIONERS, ON BEHALF OF THE CITY OF LONG  
7 BEACH, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO  
8 EXCEED \$325,000,000, OF A LOAN TO BE PROVIDED BY  
9 THE UNITED STATES DEPARTMENT OF  
10 TRANSPORTATION AND A RELATED SUBORDINATE  
11 HARBOR REVENUE NOTE BOTH SECURED BY  
12 SUBORDINATE HARBOR DEPARTMENT REVENUES AND  
13 CERTAIN OTHER MATTERS  
14

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

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

22 WHEREAS, the Board, acting on behalf of the City, pursuant to Article XII of  
23 the Charter and certain sections of the Municipal Code, proposes to incur and issue, in  
24 an aggregate principal amount not to exceed \$325,000,000 (a) a loan (the "TIFIA Loan")  
25 to be provided by the United States Department of Transportation, acting by and through  
26 the Federal Highway Administrator, and (b) to evidence the payment obligations of the  
27 Board, acting on behalf of the City, on the TIFIA Loan, a Subordinate Harbor Revenue  
28 Note (the "TIFIA Note"), respectively, for the purposes of financing and refinancing the

1 construction, acquisition, improvement and acquisition of a new bridge at the Port of Long  
2 Beach to replace the existing Gerald Desmond Bridge, pursuant to Resolution No. HD-  
3 2726 adopted by the Board on July 16, 2013 (the "Master Subordinate Resolution"), as  
4 supplemented by a Third Supplemental Subordinate Resolution adopted by the Board on  
5 May 12, 2014, a draft form of which is attached hereto as "Exhibit A" (collectively, the  
6 "Subordinate Harbor Resolutions"), and a TIFIA Loan Agreement to be entered into by  
7 the City, acting by and through the Board, and the United States Department of  
8 Transportation, acting by and through the Federal Highway Administrator (the "TIFIA  
9 Loan Agreement");

10 NOW, THEREFORE, the City Council of the City of Long Beach resolves as  
11 follows:

12 Section 1. That the City Council, acting pursuant to Article XII of the  
13 Charter and Sections 3.52.110 through 3.52.150 of the Municipal Code, does hereby  
14 approve the incurrence and issuance, in an aggregate principal amount not to exceed  
15 \$325,000,000, of the TIFIA Loan and, to evidence the payment obligations of the Board,  
16 acting on behalf of the City, on the TIFIA Loan, the TIFIA Note pursuant to the  
17 Subordinate Harbor Resolutions and the TIFIA Loan Agreement.

18 The TIFIA Loan and the TIFIA Note shall be incurred and issued,  
19 respectively, as special, limited obligations of the City and shall be secured by a pledge  
20 of and lien upon and shall be a charge upon and shall be payable from the subordinate  
21 revenues of the Harbor Department. Neither the TIFIA Loan nor the TIFIA Note shall be  
22 a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any  
23 of the City's property or upon any of the City's income, receipts or revenues, except the  
24 subordinate revenues of the Harbor Department. The general fund of the City shall not  
25 be liable for the payment of the TIFIA Loan or the TIFIA Note or the interest thereon, nor  
26 shall the credit or the taxing power of the City be pledged therefore.

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

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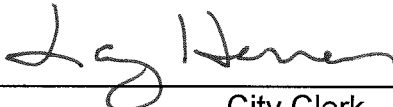
Section 3. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify to the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of May 20, 2014, by the following vote:

Ayes: Councilmembers: Garcia, DeLong, O'Donnell, Johnson,  
Austin, Neal.

Noes: Councilmembers: None.

Absent: Councilmembers: Lowenthal, Schipske, Andrews.

  
\_\_\_\_\_  
City Clerk

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EXHIBIT A  
FORM OF THIRD SUPPLEMENTAL SUBORDINATE RESOLUTION

## EXHIBIT A

**RESOLUTION NO. HD-\_\_\_\_\_**

**RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH, CALIFORNIA, AUTHORIZING THE INCURRENCE OF A LOAN TO BE PROVIDED BY THE UNITED STATES DEPARTMENT OF TRANSPORTATION AND THE ISSUANCE OF THE CITY OF LONG BEACH, CALIFORNIA SUBORDINATE HARBOR REVENUE NOTE, SERIES 2014A; PROVIDING THE TERMS AND CONDITIONS OF SAID LOAN AND NOTE; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO**

**(THIRD SUPPLEMENTAL SUBORDINATE RESOLUTION)**

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RESOLUTION NO. HD-\_\_\_\_\_

**RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH, CALIFORNIA, AUTHORIZING THE INCURRENCE OF A LOAN TO BE PROVIDED BY THE UNITED STATES DEPARTMENT OF TRANSPORTATION AND THE ISSUANCE OF THE CITY OF LONG BEACH, CALIFORNIA SUBORDINATE HARBOR REVENUE NOTE, SERIES 2014A; PROVIDING THE TERMS AND CONDITIONS OF SAID LOAN AND NOTE; AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO**

WITNESSETH:

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

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

WHEREAS, pursuant to Resolution No. HD-2726 adopted by the Board on July 16, 2013 (together with all amendments, modifications and supplements thereto, the "**Master Subordinate Resolution**"), the Board has heretofore authorized the issuance and/or incurrence of Subordinate Obligations (as defined in the Master Subordinate Resolution) on behalf of the City, by adoption of supplemental subordinate resolutions from time to time, with the payment of the principal, interest on and any redemption premiums thereon being secured by and payable solely from the Subordinate Revenues (as defined in the Master Subordinate Resolution);

WHEREAS, the Board has determined that it is in the best interest of the City, to incur the TIFIA Loan (as hereinafter defined) pursuant to the TIFIA Loan Agreement (as hereinafter defined), from time to time, in a principal amount not to exceed \$325,000,000, in order to provide funds to finance and refinance the acquisition, construction, rehabilitation and equipping of a new bridge at the Port (as defined in the Master Subordinate Resolution) that will replace the existing Gerald Desmond Bridge; and

WHEREAS, public interest and necessity require the City, acting by and through the Board, to authorize the incurrence of the TIFIA Loan pursuant to the TIFIA Loan Agreement, from time to time, in a principal amount not to exceed \$325,000,000, and the issuance of the TIFIA Note (as hereinafter defined), that will evidence the Board's payment obligations under the TIFIA Loan Agreement, for the purposes set forth in the Charter and this Third Supplemental Subordinate Resolution; and

WHEREAS, the TIFIA Loan, the TIFIA Note and the obligations incurred by the City, acting by and through the Board, pursuant to the terms of the TIFIA Loan Agreement, shall be

Subordinate Obligations secured by, and payable from, Subordinate Revenues and such other funds and accounts as provided in the Master Subordinate Resolution and this Third Supplemental Subordinate Resolution; and

WHEREAS, there has been presented to this Board the following documents:

- (a) a form of the TIFIA Loan Agreement; and
- (b) a form of the Fiscal Agent Agreement (the "*Fiscal Agent Agreement*"), by and between the City, acting by and through the Board, and U.S. Bank National Association, as fiscal agent (the "*Fiscal Agent*");

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

## ARTICLE I

### DETERMINATIONS; DEFINITIONS

**Section 1.01. Third Supplemental Subordinate Resolution; Determinations.** This Third Supplemental Subordinate Resolution is hereby adopted in accordance with the provisions of the Master Subordinate Resolution. The Board hereby determines that the incurrence of the TIFIA Loan and the issuance of the TIFIA Note, in the principal amount hereinafter authorized, for the purposes of financing and refinancing the acquisition, construction, rehabilitation and equipping of the Project (as hereinafter defined), is advisable from an economic and financial viewpoint.

In consideration of the acceptance of the TIFIA Loan Agreement and the TIFIA Note by the TIFIA Lender (as hereinafter defined) thereof from time to time, this Third Supplemental Subordinate Resolution shall be deemed to be and shall constitute a contract between the City, acting by and through the Board, and the TIFIA Lender, and the covenants and agreements herein set forth to be performed by or on behalf of the City, the Board or the Department (as defined in the Master Subordinate Resolution) shall be for the benefit, security and protection of the TIFIA Lender.

**Section 1.02. Definitions.** All terms which are defined in Section 1.02 of the Master Subordinate Resolution shall, unless otherwise defined herein, have the same meanings, respectively, in this Third Supplemental Subordinate Resolution. Unless the context otherwise requires, the terms defined in this Section 1.02 shall, for all purposes of this Third Supplemental Subordinate Resolution and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and the plural forms of any of the terms herein defined. Unless otherwise defined in this Third Supplemental Subordinate Resolution, all terms used herein shall have the meanings assigned to such terms in the Master Subordinate Resolution.

"Adjusted Rate Coverage Ratio Deficiency" has the meaning given to such term in the TIFIA Loan Agreement.

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

*“Authorized Board Representative”* means the President of the Board, the Vice President of the Board, the Executive Director, the Managing Director-Finance and Administration or the Chief Financial Officer or such other officer or employee of the Board or the Department or other person which other officer, employee or person has been designated by the Board or the Department as an Authorized Board Representative by written notice delivered by the President of the Board, the Executive Director, the Managing Director-Finance and Administration or the Chief Financial Officer to the TIFIA Lender and the Fiscal Agent.

*“Bond Counsel”* means Kutak Rock LLP or such other firm or firms of attorneys which are nationally recognized as experts in the area of municipal finance and which are familiar with the transactions contemplated under this Third Supplemental Subordinate Resolution and the TIFIA Loan Agreement and which are selected by the Board.

*“Borrower’s Authorized Representative”* means those individuals appointed as Borrower’s Authorized Representatives pursuant to Section 6.02 hereof and any other resolution of the Board to perform those duties set forth in the TIFIA Loan Agreement and this Third Supplemental Subordinate Resolution to be performed by a Borrower’s Authorized Representative.

*“Business Day”* means any day other than a Saturday, a Sunday or a day on which offices of the federal government of the United States of America (including its departments and agencies) or the City are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York or the State.

*“Costs of Issuance”* means all items of expense directly or indirectly payable by or reimbursable to the City or the Department and related to the execution and delivery of the TIFIA Loan Agreement, the incurrence of the TIFIA Loan and the issuance of the TIFIA Note, including but not limited to, advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Fiscal Agent, legal fees and charges, fees and disbursements of the TIFIA Lender, fees and disbursements of consultants and professionals, financial advisor fees and expenses, rating agency fees, fees and charges for preparation, execution, delivery and safekeeping of the TIFIA Loan Agreement and the TIFIA Note, and any other cost, charge or fee in connection with the original execution, delivery, issuance and incurrence of the TIFIA Loan Agreement, the TIFIA Note and the TIFIA Loan, respectively.

*“Effective Date”* has the meaning given to such term in the TIFIA Loan Agreement.

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

“*Fiscal Agent Agreement*” means the Fiscal Agent Agreement, entered into by and between the City, acting by and through the Board, and the Fiscal Agent, with respect to the TIFIA Loan and the TIFIA Note.

“*Master Subordinate Resolution*” has the meaning given to such term in the third recital paragraph of this Third Supplemental Subordinate Resolution.

“*Project*” has the meaning given to such term in the TIFIA Loan Agreement.

“*Semi-Annual Payment Date*” has the meaning given to such term in the TIFIA Loan Agreement.

“*Subordinate Resolution*” means, collectively, the Master Subordinate Resolution, as amended and supplemented, and this Third Supplemental Subordinate Resolution, as amended and supplemented.

“*Substantial Completion Date*” has the meaning given to such term in the TIFIA Loan Agreement.

“*Third Supplemental Subordinate Resolution*” means this Resolution No. HD-\_\_\_\_\_ adopted by the Board on May [12], 2014, as amended from time to time.

“*TIFIA Debt Service Reserve Fund*” means the “City of Long Beach, California Subordinate Harbor Revenue Note, Series 2014A (Gerald Desmond Bridge – TIFIA Loan) Reserve Fund” established and maintained pursuant to Article III hereof and the Fiscal Agent Agreement.

“*TIFIA Debt Service Reserve Requirement*” has the meaning given to such term in the TIFIA Loan Agreement.

“*TIFIA Debt Service Reserve Period*” has the meaning given to such term in the TIFIA Loan Agreement.

“*TIFIA Lender*” means the United States Department of Transportation, acting by and through the Federal Highway Administrator, and its successors and assigns.

“*TIFIA Loan*” has the meaning given to such term in the TIFIA Loan Agreement.

“*TIFIA Loan Agreement*” means the TIFIA Loan Agreement, by and between the City, acting by and through the Board, and the TIFIA Lender, and any and all modifications, alternations, amendments and supplements thereto.

“*TIFIA Loan Agreement Event of Default*” means the occurrence of any event or circumstance specified in Section 19(a) of the TIFIA Loan Agreement.

“*TIFIA Note*” means the “City of Long Beach, California Subordinate Harbor Revenue Note, Series 2014A (Gerald Desmond Bridge – TIFIA Loan)” authorized and issued pursuant to

the Master Subordinate Resolution, as supplemented by this Third Supplemental Subordinate Resolution.

“*TIFIA Permitted Investments*” has the meaning specified for the definition of “Permitted Investments” as set forth in the TIFIA Loan Agreement.

## ARTICLE II

### THE TIFIA LOAN AND THE TIFIA NOTE

#### **Section 2.01. Authorization to Incur TIFIA Loan and Issue TIFIA Note; Determinations of the Board.**

(a) The Board hereby determines that the incurrence, from time to time, of the TIFIA Loan and the issuance of the TIFIA Note for the purposes of financing and refinancing the acquisition, construction, rehabilitation and equipping of the Project is advisable from an economic and financial viewpoint. The Board hereby authorizes the incurrence of the TIFIA Loan, from time to time, and the issuance of the TIFIA Note pursuant to, and subject to, the terms of the Master Subordinate Resolution, this Third Supplemental Subordinate Resolution and the TIFIA Loan Agreement for the purposes of financing and refinancing the acquisition, construction, rehabilitation and equipping of the Project, provided that the aggregate principal amount of the TIFIA Loan outstanding at any one time shall not exceed \$325,000,000.

(b) The TIFIA Loan and the TIFIA Note shall be the third Series of Subordinate Obligations created under the Master Subordinate Resolution, shall be incurred and issued, respectively, pursuant to the Law and under the Subordinate Resolution and the TIFIA Loan Agreement, and the TIFIA Note shall be designated as the “City of Long Beach, California Subordinate Harbor Revenue Note, Series 2014A (Gerald Desmond Bridge – TIFIA Loan)”. The TIFIA Loan and the TIFIA Note shall be incurred and issued, respectively, as, and shall constitute, Subordinate Obligations pursuant to Article III of the Master Subordinate Resolution.

#### **Section 2.02. Form, Execution and Transfer of TIFIA Note.**

(a) The TIFIA Note and the certificate of authentication to be executed thereon shall be in substantially the form set forth as Exhibit A attached hereto. The maturity date and interest rate of the TIFIA Note shall be inserted therein in conformity with the provisions of the TIFIA Loan Agreement. The TIFIA Note shall be issued in registered form, but shall not be issued in book-entry form.

(b) The TIFIA Note shall be executed in the name and on behalf of the City with the facsimile or manual signature of the President of the Board or the Treasurer, and attested by the facsimile or manual signature of the Administrative Officer to the Board.

(c) The entity in whose name the TIFIA Note shall be registered in the registration books of the Fiscal Agent at any time shall be deemed and treated as the absolute Holder thereof for all purposes of the Subordinate Resolution, whether or not the

TIFIA Note shall be overdue, and the City and the Fiscal Agent shall not be affected by any notice to the contrary, but such registration may be changed as herein provided. Payment of, or on account of, the principal of and interest on the TIFIA Note shall be made only to such Holder. All such payments shall be valid and effectual to satisfy and discharge the liability upon the TIFIA Note to the extent of the sum or sums so paid. The Holder of the TIFIA Note shall at all times be the party to the TIFIA Loan Agreement having all rights and obligations of the "TIFIA Lender" thereunder. Accordingly, the TIFIA Note may be transferred by a Holder only to a transferee that is a party to the TIFIA Loan Agreement having all rights and obligations of the "TIFIA Lender" thereunder. The Fiscal Agent shall not register the transfer or exchange of the TIFIA Note unless the Holder's prospective transferee delivers to the Fiscal Agent a letter substantially in the form as set forth in Exhibit B attached hereto. The Fiscal Agent may rely on the letter in making a transfer or exchange of the TIFIA Note without any investigation. In the event there is more than one Holder of the TIFIA Note, payments of principal of and interest on the TIFIA Note shall be made ratably, based on the aggregate principal amount of the TIFIA Note held by each such Holder.

**Section 2.03. Terms of the TIFIA Loan and the TIFIA Note.**

(a) Prior to the incurrence of the TIFIA Loan, all conditions precedent set forth in Section 12(b) of the TIFIA Loan Agreement shall be satisfied.

(b) Pursuant to the provisions of Section 3.01 of the Master Subordinate Resolution, the Board hereby elects to provide for additional terms and conditions of the TIFIA Loan and the TIFIA Note (including, but not limited to, the items listed in clauses (c), (d), (g) and (k) in the second paragraph of Section 3.01 of the Master Subordinate Resolution) in the TIFIA Loan Agreement. All of the terms and conditions of the TIFIA Loan and the TIFIA Note shall be governed by the terms and provisions of the Subordinate Resolution and the TIFIA Loan Agreement. The TIFIA Loan shall be incurred and the TIFIA Note shall be issued in accordance with the terms of the Subordinate Resolution and the TIFIA Loan Agreement.

(c) The TIFIA Loan and the TIFIA Note shall bear interest at the rate or rates set forth in the TIFIA Loan Agreement from the date the TIFIA Lender first disburses proceeds of the TIFIA Loan to the City, acting by and through the Board, and shall be payable on the dates set forth in the TIFIA Loan Agreement and the TIFIA Note. The TIFIA Loan and the TIFIA Note shall not have a term longer than 35 years from the Substantial Completion Date.

(d) The TIFIA Loan shall be subject to prepayment and acceleration, and the TIFIA Note shall be subject to redemption and acceleration, prior to maturity in the amounts, at the times and in the manner set forth in the TIFIA Loan Agreement.

(e) On the Effective Date, the City, acting by and through the Board, will issue the TIFIA Note in order to evidence the obligation of the City, acting by and through the Board, to repay the TIFIA Loan, together with interest thereon, from time to time at the rates and dates and times established in accordance with the TIFIA Loan

Agreement. Principal of the TIFIA Loan as reflected in the TIFIA Note shall be payable on the dates set forth in the TIFIA Loan Agreement, subject to any prepayment or acceleration of the TIFIA Loan.

(f) The TIFIA Loan and the TIFIA Note may not be incurred or issued, as applicable, except in accordance with the Subordinate Resolution and the TIFIA Loan Agreement.

**Section 2.04. Payment of TIFIA Loan and TIFIA Note.** The City, acting by and through the Board, as provided in Section 6.02 of the Master Subordinate Resolution, covenants and agrees that it will duly and punctually pay or cause to be paid from the Subordinate Revenues and to the extent thereof the principal of and interest on the TIFIA Loan and the TIFIA Note. The Treasurer will make all payments of principal of and interest on the TIFIA Loan and the TIFIA Note directly to the TIFIA Lender in accordance with the provisions of the TIFIA Loan Agreement. The principal of and the interest on the TIFIA Loan and the TIFIA Note 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. Notwithstanding anything herein or in the Master Subordinate Resolution to the contrary, no presentation or surrender of the TIFIA Note shall be required for any payment of principal of or interest on the TIFIA Loan and the TIFIA Note.

**Section 2.05. Deposits to Interest Account and Principal Account.**

(a) **Interest Account.** Notwithstanding anything in Section 5.02(a) of the Master Subordinate Resolution to the contrary, the Treasurer shall set aside in the Interest Account, as soon as practicable in each month after all required deposits described in paragraphs 1, 2 and 3 of Section 5.03(B) of the Master Senior Resolution have been made, an amount equal to at least one-sixth of the aggregate half-yearly amount of interest becoming due and payable on the TIFIA Loan and the TIFIA Note during the next ensuing six months, until the requisite half-yearly amount of interest on the TIFIA Loan and the TIFIA Note is on deposit in such account. No deposit need be made into the Interest Account with respect to interest coming due on the TIFIA Loan and the TIFIA Note if the amount contained therein is at least equal to the interest to become due and payable on the Semi-Annual Payment Date falling within the next six (6) months.

(b) **Principal Account.** Notwithstanding anything in Section 5.02(a) of the Master Subordinate Resolution to the contrary, the Treasurer shall set aside in the Principal Account, as soon as practicable in each month after all required deposits described in paragraphs 1, 2 and 3 of Section 5.03(B) of the Master Senior Resolution have been made, an amount equal to at least one-twelfth of the aggregate amount of principal becoming due and payable on the TIFIA Loan and the TIFIA Note within the next twelve (12) months. No deposit need be made into the Principal Account with respect to the TIFIA Loan and the TIFIA Note so long as there shall be in such account moneys sufficient to pay the principal of the TIFIA Loan and the TIFIA Note within the next twelve (12) months.

## ARTICLE III

### TIFIA DEBT SERVICE RESERVE FUND

#### **Section 3.01. Establishment, Pledge and Funding of TIFIA Debt Service Reserve Fund.**

(a) Pursuant to the Fiscal Agent Agreement, the City, acting by and through the Board, shall establish with the Fiscal Agent and shall cause the Fiscal Agent to administer and hold in trust a Subordinate Debt Service Reserve Fund designated as the "City of Long Beach, California Subordinate Harbor Revenue Note, Series 2014A (Gerald Desmond Bridge – TIFIA Loan) Reserve Fund" (the "*TIFIA Debt Service Reserve Fund*"). All amounts in the TIFIA Debt Service Reserve Fund are hereby pledged to the TIFIA Lender to secure the payment of the principal of and interest on the TIFIA Loan and the TIFIA Note in accordance with their terms.

(b) In accordance with Section 15(j)(iii) of the TIFIA Loan Agreement, if, at any time, after the Effective Date, there is an Adjusted Rate Coverage Ratio Deficiency, the Treasurer shall transfer, within sixty (60) days of the date on which the Harbor Department has knowledge or has been notified by the TIFIA Lender of such Adjusted Rate Coverage Ratio Deficiency and in any event prior to the next succeeding Semi-Annual Payment Date, any surplus revenues as described in the second paragraph of Section 5.01 of the Master Subordinate Resolution or such other available moneys of the Harbor Department to the Fiscal Agent for deposit in the TIFIA Debt Service Reserve Fund in an amount sufficient to cause the balance in the TIFIA Debt Service Reserve Fund to equal the TIFIA Debt Service Reserve Requirement. The Board shall at all times maintain an amount equal to the TIFIA Debt Service Reserve Requirement in the TIFIA Debt Service Reserve Fund, until the earlier of [(i) the date immediately following the TIFIA Debt Service Reserve Period,] and (ii) the date the TIFIA Loan and the TIFIA Note are discharged in accordance with the provisions of Article IX of the Master Subordinate Resolution and the TIFIA Loan Agreement.

(c) All amounts in the TIFIA Debt Service Reserve Fund shall be used and withdrawn by the Treasurer solely for the purpose of paying the principal of and interest on the TIFIA Loan and the TIFIA Note in the event moneys in the Principal Account and/or the Interest Account are insufficient therefor to pay the principal of and interest on the TIFIA Loan and the TIFIA Note. In the event amounts in the TIFIA Debt Service Reserve Fund exceed the TIFIA Debt Service Reserve Requirement, such excess shall be transferred or caused to be transferred by the Fiscal Agent to the Treasurer for deposit in the Harbor Revenue Fund.

**Section 3.02. Investment of Moneys in the TIFIA Debt Service Reserve Fund.** All moneys in the TIFIA Debt Service Reserve Fund shall be invested solely in TIFIA Permitted Investments maturing or available on demand not later than each date on which it is estimated that such moneys will be required by the Treasurer to pay the principal of and/or interest on the TIFIA Loan and the TIFIA Note.



All interest, profits and other income received from the investment of moneys in the TIFIA Debt Service Reserve Fund shall be transferred to the Harbor Revenue Fund when received, provided that after such transfer the amounts on deposit in the TIFIA Debt Service Reserve Fund are equal to or greater than the TIFIA Debt Service Reserve Requirement. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any TIFIA Permitted Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such TIFIA Permitted Investment shall be credited to the TIFIA Debt Service Reserve Fund.

The Treasurer shall keep (and the City, acting by and through the Board, shall cause the Fiscal Agent to keep) proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys in the TIFIA Debt Service Reserve Fund. Such records shall specify for each TIFIA Permitted Investment (a) its purchase price, (b) identifying information, including par amount, coupon rate, and payment dates, (c) the amount received at maturity or its sale price, as the case may be, including accrued interest, (d) the amounts and dates of any payments made with respect thereto, and (e) the dates of acquisition and disposition or maturity.

#### **ARTICLE IV**

#### **PLEDGE AND PAYMENT**

The TIFIA Loan and the TIFIA Note are Subordinate Obligations and, as such, are special limited obligations of the City, acting by and through the Board, secured by a pledge of and shall be a lien upon and shall be payable solely from the funds, assets and security described hereunder and under the Subordinate Resolution.

The City, acting by and through the Board, hereby pledges, places a lien upon and assigns Subordinate Revenues to secure the payment of the principal of and interest on the TIFIA Loan and the TIFIA Note in accordance with their terms and the terms of the Subordinate Resolution and the TIFIA Loan Agreement. The Subordinate Revenues constitute a trust fund for the security and payment of the interest on and principal of the TIFIA Loan and the TIFIA Note. The TIFIA Lender, as holder of the TIFIA Note, any other holder of the TIFIA Note, and the holders from time to time of the other Subordinate Obligations and any other future parity Subordinate Obligations, shall share pari passu without priority or distinction of one over the other in the Subordinate Revenues.

To provide additional security for the payment of the principal of and interest on the TIFIA Loan and the TIFIA Note as the same shall become due and payable, the City, acting by and through the Board, hereby pledges and grants a lien upon, subject only to the provisions of the Subordinate Resolution permitting the application thereof for purposes and on the terms and conditions set forth herein and therein, (a) amounts held for the payment of the TIFIA Loan and the TIFIA Note by the Treasurer in the Subordinate Debt Service Fund, (b) amounts held by the Fiscal Agent in the TIFIA Debt Service Reserve Fund, (c) the proceeds of any other evidences of indebtedness of the City, acting by and through the Board, issued or incurred solely for the payment of the principal of and interest on the TIFIA Loan and the TIFIA Note, and (d) any other moneys of the Board, the Department or the City hereafter pledged by the City, acting by

and through the Board, to the payment of the principal of and interest on the TIFIA Loan and the TIFIA Note.

## ARTICLE V

### APPROVAL OF TIFIA LOAN AGREEMENT, FISCAL AGENT AND FISCAL AGENT AGREEMENT

**Section 5.01. Approval of TIFIA Loan Agreement.** The form, terms and provisions of the TIFIA Loan Agreement is in all respects approved, and an Authorized Board Representative, any one or more thereof, is hereby authorized, empowered and directed to execute, acknowledge and deliver the TIFIA Loan Agreement, including counterparts thereof, in the name and on behalf of the City, acting by and through the Board. The TIFIA Loan Agreement, as executed and delivered, shall be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the Authorized Board Representative executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the TIFIA Loan Agreement now before this meeting; and from and after the execution and delivery of the TIFIA Loan Agreement, the officers, agents and employees of the Board and the Department are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the TIFIA Loan Agreement.

**Section 5.02. Approval of Fiscal Agent and Fiscal Agent Agreement.** U.S. Bank National Association is hereby appointed as Fiscal Agent with respect to the TIFIA Loan and the TIFIA Note. The Fiscal Agent shall signify its acceptance of its duties hereunder by executing and delivering to the City, acting by and through the Board, a written acceptance in the form of the Fiscal Agent Agreement, in which the Fiscal Agent agrees to perform said duties and obligations as set forth in the Master Subordinate Resolution, this Third Supplemental Subordinate Resolution and the Fiscal Agent Agreement. The form, terms and provisions of the Fiscal Agent Agreement are in all respects approved, and an Authorized Board Representative, any one or more thereof, is hereby authorized, empowered and directed to execute, acknowledge and deliver the Fiscal Agent Agreement including counterparts thereof, in the name and on behalf of the City, acting by and through the Board. The Fiscal Agent Agreement, as executed and delivered, shall be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the Authorized Board Representative executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Fiscal Agent Agreement now before this meeting; and from and after the execution and delivery of the Fiscal Agent Agreement, the officers, agents and employees of the Board and the Department are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Fiscal Agent Agreement.

## ARTICLE VI

### ADDITIONAL AUTHORIZATIONS; BORROWER'S AUTHORIZED REPRESENTATIVES

**Section 6.01. Additional Authorizations.** Each Authorized Board Representative and all officers, agents and employees of the Board and the Department, for and on behalf of the City, acting by and through the Board, are hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the TIFIA Loan Agreement, the TIFIA Note and the Fiscal Agent Agreement and to carry out the terms thereof. Each Authorized Board Representative and all other officers, agents and other employees of the Board and the Department are further authorized and directed, for and on behalf of the City, acting by and through the Board, to execute all papers, documents, certificates and other instruments that may be required in order to carry out the authority conferred by this Third Supplemental Subordinate Resolution, the Master Subordinate Resolution, the TIFIA Loan Agreement and the Fiscal Agent Agreement or to evidence the same authority and its exercise. The foregoing authorization includes, but is in no way limited to, authorizing the Department to pay the Costs of Issuance associated with the execution and delivery of the TIFIA Loan Agreement and the TIFIA Note and the incurrence of the TIFIA Loan and the fees and costs of the TIFIA Lender, [and authorizing the execution by an Authorized Board Representative, any one or more thereof, of an oversight agreement required by the TIFIA Loan Agreement]. All actions heretofore taken by the officers, agents and employees of the Board and the Department in furtherance of this Third Supplemental Subordinate Resolution are hereby confirmed, ratified and approved.

**Section 6.02. Borrower's Authorized Representatives.** The President of the Board, the Vice President of the Board, the Executive Director, the Managing Director-Finance and Administration, the Chief Financial Officer and such other officer or employee of the Board or the Department designated by the Board, are each appointed as Borrower's Authorized Representatives under the terms of this Third Supplemental Subordinate Resolution and the TIFIA Loan Agreement. The Borrower's Authorized Representatives are, and each of them is, hereby authorized and are hereby directed to perform those duties set forth in this Third Supplemental Subordinate Resolution, the TIFIA Loan Agreement and the TIFIA Note. The Borrower's Authorized Representatives are, and each of them is, also authorized to make representations, certifications and warranties in connection with the execution and delivery of the TIFIA Loan Agreement, the incurrence of the TIFIA Loan and the issuance of the TIFIA Note as and when required in this Third Supplemental Subordinate Resolution, the TIFIA Loan Agreement and the TIFIA Note. The Borrower's Authorized Representatives are hereby further authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this Third Supplemental Subordinate Resolution, the TIFIA Loan Agreement and the TIFIA Note.

## ARTICLE VII

### MISCELLANEOUS

**Section 7.01. Approval of the City.** The Board hereby requests the City Council to approve the incurrence of the TIFIA Loan and the issuance of the TIFIA Note pursuant to the

Master Subordinate Resolution, this Third Supplemental Subordinate Resolution and the TIFIA Loan Agreement.

**Section 7.02. TIFIA Loan and TIFIA Note Subject to the Master Subordinate Resolution.** The TIFIA Loan and the TIFIA Note are and will be incurred and issued, respectively, under and subject to the terms of the Master Subordinate Resolution and will be secured and payable from Subordinate Revenues and other security as provided for in the Master Subordinate Resolution and this Third Supplemental Subordinate Resolution. Except as expressly provided in this Third Supplemental Subordinate Resolution, every term and condition contained in the Master Subordinate Resolution shall apply to this Third Supplemental Subordinate Resolution and to the TIFIA Loan and the TIFIA Note with the same force and effect as if it were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Third Supplemental Subordinate Resolution.

**Section 7.03. Additional Event of Default and Remedies.**

(a) As permitted by Sections 10.01(f) and 10.10 of the Master Subordinate Resolution, there is hereby provided an additional Event of Default with respect to the TIFIA Loan and the TIFIA Note:

“A TIFIA Loan Agreement Event of Default shall be an Event of Default under Section 10.01 of the Master Subordinate Resolution with respect to the TIFIA Loan and the TIFIA Note.”

(b) As permitted by Sections 10.02(a)(v) and 10.10 of the Master Subordinate Resolution, there are hereby provided additional remedies upon the occurrence and continuance of any Event of Default with respect to the TIFIA Loan and the TIFIA Note:

“The remedies provided for in the TIFIA Loan Agreement upon the occurrence and continuation of an Event of Default shall be additional remedies allowed to be undertaken by the TIFIA Lender under Section 10.02 of the Master Subordinate Resolution with respect to the TIFIA Loan and the TIFIA Note.”

**Section 7.04. Severability of Invalid Provisions.** If any one or more of the provisions contained in this Third Supplemental Subordinate Resolution or the TIFIA Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Third Supplemental Subordinate Resolution or the TIFIA Note, as applicable, and such invalidity, illegality or unenforceability shall not affect any other provision of this Third Supplemental Subordinate Resolution or the TIFIA Note, as applicable, and this Third Supplemental Subordinate Resolution or the TIFIA Note, as applicable, shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Board hereby declares that it would have adopted this Third Supplemental Subordinate Resolution and each and every other Article, Section, paragraph, sentence, clause or phrase hereof and authorized the execution and delivery of the TIFIA Loan Agreement, the incurrence of the TIFIA Loan and the issuance of the TIFIA Note pursuant thereto irrespective of the fact that any one or more Articles,

Sections, paragraphs, sentences, clauses or phrases of this Third Supplemental Subordinate Resolution may be held illegal, invalid or unenforceable.

**Section 7.05. Proceedings Constitute Contract.** The provisions of this Third Supplemental Subordinate Resolution shall constitute a contract between the City, acting by and through the Board, and the TIFIA Lender, and the provisions hereof shall be enforceable by the TIFIA Lender by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is now or may hereafter be authorized under the laws of the State in any court of competent jurisdiction.

After the Effective Date, this Third Supplemental Subordinate Resolution shall be irrevocable, but shall be subject to modification to the extent and in the manner provided in the Master Subordinate Resolution and the TIFIA Loan Agreement, but to no greater extent and in no other manner.

**Section 7.06. Article and Section Headings and References; Interpretation.** The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Third Supplemental Subordinate Resolution.

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

**Section 7.07. Governing Law.** This Third Supplemental Subordinate Resolution shall be construed and governed in accordance with the laws of the State of California.

**Section 7.08. Payments and Transfer on Business Day.** Except as otherwise provided in the TIFIA Loan Agreement, any payments or transfers which would otherwise become due on any day which is not a Business Day shall become due or shall be made on the next succeeding Business Day and no interest shall accrue for such period.

**Section 7.09. Effective Date of Third Supplemental Subordinate Resolution.** This Third Supplemental Subordinate Resolution shall take effect immediately upon its adoption by the Board, and the Secretary of the Board shall certify to the vote adopting this Third Supplemental Subordinate Resolution and shall cause a certified copy of this Third Supplemental Subordinate Resolution to be filed forthwith with the City Clerk of the City of Long Beach (the "*City Clerk*"). The City Clerk shall post this Third Supplemental Subordinate Resolution in three conspicuous places in the City.

[Remainder of page intentionally left blank.]

I hereby certify that the foregoing resolution was adopted by the Board of Harbor Commissioners of the City of Long Beach at its meeting of May [12], 2014 by the following vote:

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

\_\_\_\_\_  
Secretary

**EXHIBIT A**

**FORM OF TIFIA NOTE**

THIS TIFIA NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION.

UNITED STATES OF AMERICA

No. R-1

Not to Exceed \$325,000,000

**CITY OF LONG BEACH, CALIFORNIA  
SUBORDINATE HARBOR REVENUE NOTE  
SERIES 2014A (GERALD DESMOND BRIDGE – TIFIA LOAN)**

**Holder:** UNITED STATES DEPARTMENT OF TRANSPORTATION,  
acting by and through the Administrator of the Federal  
Highway Administrator

**Maturity Date:** Semi-Annual Payment Date occurring on or immediately prior  
to the 35th anniversary of the Substantial Completion Date

**Maximum Principal  
Amount:** \$325,000,000 (THREE HUNDRED TWENTY-FIVE  
MILLION AND NO/100 DOLLARS)

**Interest Rate:** \_\_\_\_\_%

**Issue Date:** \_\_\_\_\_, 2014

THE CITY OF LONG BEACH, a municipal corporation and chartered city situated in the County of Los Angeles, State of California (the "City"), acting by and through its Board of Harbor Commissioners (hereinafter called the "Board"), FOR VALUE RECEIVED, hereby promises to pay, solely from Subordinate Revenues, as hereinafter provided, to the United States Department of Transportation, acting by and through the Federal Highway Administrator, and its successors and assigns (the "TIFIA Lender" or the "Holder"), the lesser of (a) the Maximum Principal Amount set forth above, and (b) the aggregate unpaid principal amount of all disbursements (the "Disbursements") made by the TIFIA Lender (such lesser amount, together with any interest that is capitalized and added to principal in accordance with the provisions of the TIFIA Loan Agreement, dated [\_\_\_\_], 2014 (the "TIFIA Loan Agreement"), by and between the City, acting by and through the Board, and the TIFIA Lender, being hereinafter referred to as the "Outstanding TIFIA Loan Balance"), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate (as defined in the TIFIA Loan Agreement) on the Outstanding TIFIA Loan Balance, and all fees, costs and other amounts payable in connection therewith, all as more fully described in the TIFIA Loan Agreement, which is hereby made a part hereof. Each Disbursement made by the TIFIA Lender to the City, acting by and through the Board, pursuant to the TIFIA Loan Agreement, and each prepayment made on

account of the Outstanding TIFIA Loan Balance, shall be recorded by or on behalf of the TIFIA lender and endorsed on the grid attached hereto as Appendix One, with a copy to the Harbor Department, in accordance with the terms of the TIFIA Loan Agreement. The principal hereof shall be payable in the manner and at the place provided in the TIFIA Loan Agreement in accordance with Appendix Two, as revised from time to time in accordance with the TIFIA Loan Agreement, until paid in full. Such Appendix Two shall be revised or completed by or on behalf of the TIFIA Lender in accordance with the terms of the TIFIA Loan Agreement. Payments hereon are to be made in accordance with Section [36] of the TIFIA Loan Agreement as the same become due. Principal of and interest on this TIFIA Note shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America which at the date of payment is legal tender for the payment of public and private debts. If the Final Maturity Date is amended in connection with an update to the Financial Plan pursuant to Section 21(a)(iii) of the TIFIA Loan Agreement, the due date of this TIFIA Note shall be deemed to be amended to change the due date to such revised Final Maturity Date without any further action required on the part of the City, acting by and through the Board, or the TIFIA Lender and such amendment shall in no way amend, modify or affect the other provisions of this TIFIA Note without the prior written agreement of the TIFIA Lender.

This TIFIA Note has been executed under and pursuant to the TIFIA Loan Agreement and is issued to evidence the obligation of the City, acting by and through the Board, under the TIFIA Loan Agreement to repay the loan made by the TIFIA Lender and any other payments of any kind required to be paid by the City, acting by and through the Board, under the TIFIA Loan Agreement or the other TIFIA Loan Documents referred to therein. Reference is made to the TIFIA Loan Agreement for all details relating to the obligations of the City, acting by and through the Board, hereunder. All capitalized terms used in this TIFIA Note and not defined herein shall have the meanings set forth in the TIFIA Loan Agreement.

This TIFIA Note comprises the duly authorized issue of “City of Long Beach, California Subordinate Harbor Revenue Note, Series 2014A (Gerald Desmond Bridge – TIFIA Loan)” (the “TIFIA Note”) which has been issued pursuant to Article XII of the City Charter of the City of Long Beach, California, Title 3, Chapter 3.52, Division I of the Municipal Code of the City of Long Beach, California (collectively, the “Law”), Resolution No. HD-2726, adopted by the Board on July 16, 2013 (together with all amendments and modifications thereto, the “Master Subordinate Resolution”), Resolution No. HD-[\_\_\_\_], adopted by the Borrower on [\_\_\_\_], 2014 (together with all amendments and modifications thereto, the “Third Supplemental Subordinate Resolution” and, together with the Master Subordinate Resolution, the “Subordinate Resolution”) and the TIFIA Loan Agreement.

Reference is hereby made to the TIFIA Loan Agreement, the Subordinate Resolution, the Law and the Fiscal Agent Agreement, dated [\_\_\_\_], 2014 (together with all amendments and other modifications thereto, the “Fiscal Agent Agreement”), by and between the City, acting by and through the Board, and the U.S. Bank National Association, as fiscal agent (including its successors and assigns, the “Fiscal Agent”) for a description of the terms pursuant to which this TIFIA Note is issued and the provisions with regard to the nature and extent of the pledge of, and lien and charge upon, the Subordinate Revenues made by the City, acting by and through the Board, in favor of the holder of this TIFIA Note pursuant to the TIFIA Loan Agreement, the Subordinate Resolution, the Law and the Fiscal Agent Agreement. All of the terms of the TIFIA



Loan Agreement, the Subordinate Resolution, the Law and the Fiscal Agent Agreement are hereby incorporated herein and constitute a contract between the City, acting by and through the Board, and the holder of this TIFIA Note, and by acceptance hereof, the holder of this TIFIA Note assents to said terms and conditions.

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

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

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

This TIFIA Note may be redeemed at the option of the City, acting by and through the Board, in whole or in part (and, if in part, the amounts thereof to be redeemed shall be determined by the City, acting by and through the Board; provided, however, that such redemption shall be in principal amounts of U.S.\$1,000,000 or any integral multiple thereof), at any time or from time to time, without penalty or premium, by paying to the TIFIA Lender such principal amount of this TIFIA Note to be redeemed, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment in accordance with the TIFIA Loan Agreement.

On each payment due date, payments hereon are to be made in the manner and at the place specified by the Holder pursuant to the TIFIA Loan Agreement.

The rights and obligations of the City, the Board, the Fiscal Agent and of the Holders of this TIFIA Note may be modified or amended from time to time in the manner, to the extent and upon the terms provided in the Subordinate Resolution and the TIFIA Loan Agreement.

This TIFIA Note may be transferred without charge upon the register required to be kept by the Fiscal Agent, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of this TIFIA Note for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Fiscal Agent. Whenever the TIFIA Note is surrendered for transfer, the City shall execute and the

Fiscal Agent shall authenticate and deliver a new TIFIA Note of the same tenor and maturity and for a like aggregate principal amount.

Pursuant to the Third Supplemental Subordinate Resolution, the Holder of this TIFIA Note shall at all times by the party to the TIFIA Loan Agreement having all rights and obligations of the "TIFIA Lender" under the TIFIA Loan Agreement. The Fiscal Agent shall not register any transfer or exchange of this TIFIA Note unless the Holder's prospective transferee delivers to the Fiscal Agent a letter substantially in the form as set forth in Exhibit B attached to the Third Supplemental Subordinate Resolution.

Any delay on the part of the TIFIA Lender in exercising any right hereunder or under the TIFIA Loan Agreement shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to have happened and to have been performed precedent to and in the issuance of this TIFIA Note do exist, have happened, and have been performed in due time, form and manner as required by the Constitution and laws of the State of California and the Charter of the City and that this TIFIA Note, together with all other indebtedness of the City pertaining to the Subordinate Revenues, is within every debt and other limit prescribed by the Constitution and laws of the State of California and the Charter of the City and is not in excess of the amount of indebtedness permitted to be issued under the Subordinate Resolution.

This TIFIA Note is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State of California shall govern its construction to the extent such federal laws are not applicable.

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

The City, acting by and through the Board, hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all other notices and demands whatsoever.

IN WITNESS WHEREOF, the Board of Harbor Commissioners of the City of Long Beach has caused this TIFIA Note to be signed by the President of the Board and attested by the Administrative Officer to the Board as of the Original Issue Date specified above.

---

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

ATTESTED

---

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

**FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION**

This is the TIFIA Note described in the within mentioned Subordinate Resolution.

Date of Authentication: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION, as  
Fiscal Agent

By \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

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

---

the within-mentioned registered TIFIA Note and hereby irrevocably constitute(s) and appoint(s)

---

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

Dated: \_\_\_\_\_

---

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

Signature Guaranteed by:

---

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

**APPENDIX ONE**

Maturity Date: Semi-Annual Payment Date occurring on or immediately prior to the 35th anniversary of the Substantial Completion Date

Maximum Principal Amount: \$325,000,000

Borrower: City of Long Beach, California, acting by and through its Board of Harbor Commissioners

TIFIA Lender: The United States Department of Transportation, acting by and through the Federal Highway Administrator

**DISBURSEMENTS AND PAYMENTS OF PRINCIPAL<sup>1</sup>**

<b>Date</b>	<b>Amount of Disbursement</b>	<b>Amount of Principal Paid</b>	<b>Unpaid Principal Sum</b>	<b>Notation Made By</b>

---

<sup>1</sup> This Grid may be extended if the number of Disbursements, payments and extensions so requires.



## EXHIBIT B

### FORM OF TRANSFEREE'S LETTER

U.S. Bank National Association,  
as Trustee  
633 West Fifth Street  
24<sup>th</sup> Floor  
Los Angeles, California 90071

Re: City of Long Beach, California Subordinate Harbor Revenue Note, Series 2014A  
(Gerald Desmond Bridge – TIFIA Loan)

Ladies and Gentlemen:

The undersigned representative of \_\_\_\_\_ (the "Purchaser"), hereby certifies, represents and warrants for the benefit of U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), that the Purchaser is a party to the TIFIA Loan Agreement having all rights and obligations of the "TIFIA Lender" thereunder. The Purchaser understands that in connection with any future transfer or exchange of the City of Long Beach, California Subordinate Harbor Revenue Note, Series 2014A (Gerald Desmond Bridge – TIFIA Loan) (the "TIFIA Note") by the Purchaser, there must be delivered to the Fiscal Agent a letter of the transferee in substantially the form of Exhibit B to the Third Supplemental Subordinate Resolution.

The undersigned Purchaser hereby further represents as follows:

1. The Purchaser has full power and authority to carry on its business as now conducted, deliver this letter and make the representations contained herein.
2. The Purchaser has knowledge and experience in financial and business matters that make it capable of evaluating the TIFIA Note and the risks associated with the purchase of the TIFIA Note; has the ability to bear the economic risk of an investment in the TIFIA Note; and is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended.
3. The Purchaser has conducted its own investigation of the financial condition of the Harbor Department, the Port the TIFIA Note, the Master Subordinate Resolution, the Third Supplemental Subordinate Resolution, the Subordinate Revenues and the Senior Resolution, and has obtained such information regarding the TIFIA Note, such facilities, the Port and the Harbor Department and its operations, financial condition and financial prospects as the Purchaser deems necessary to make an informed investment decision with respect to the purchase of the TIFIA Note.
4. The Purchaser is purchasing the TIFIA Note for its own account solely and not with a present view to any distribution of the TIFIA Note or any interest therein or portion thereof or without a present intention of distributing or reselling the TIFIA



Note or any interest therein or portion thereof, provided that the Purchaser retains the right at any time to dispose of the TIFIA Note or any interest therein or portion thereof as it may determine to be in its best interests, subject to the requirements and provisions of the Third Supplemental Subordinate Resolution. In the event that the Purchaser disposes of the TIFIA Note or any part thereof in the future, the Purchaser understands that it has the responsibility for complying with any applicable federal and state securities laws and all rules and regulations promulgated pursuant thereto.

5. The Purchaser understands that: (i) the TIFIA Note is a special limited obligation of the City payable from and secured by a pledge of and a lien and charge upon the Subordinate Revenues on a parity with all Subordinate Obligations and all other debt incurred and payable from Subordinate Revenues on a parity with the Subordinate Obligations; (ii) the principal of and interest on the TIFIA Note are not a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues, except the Subordinate Revenues; (iii) the general fund of the City is not liable for the payment of the TIFIA Note or any interest hereon, nor is the credit or the taxing power of the City pledged therefor; and (iv) as Holder of the TIFIA Note, it shall not compel the exercise of the taxing power of the City or the forfeiture of any of its property for the payment of the TIFIA Note or any interest hereon.

6. The Purchaser acknowledges that the TIFIA Note has not been registered under the under the Securities Act of 1933, as amended, and that such registration is not legally required. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any subsequent disposition of the TIFIA Note, and further acknowledges that any current exemption from registration of the TIFIA Note does not affect or diminish this requirement.

7. In entering into this transaction, the Purchaser has not relied upon any representations or opinions of the City, the Board or the Department, its counsel, Kutak Rock LLP or other counsel to the City, the Board or the Department relating to the legal consequences or other aspects of its investment in the TIFIA Note.

8. The Purchaser has been informed that the TIFIA Note (i) has not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, and (ii) will not be listed on any stock or other securities exchange.

9. None of the City, the Board or the Harbor Department, its governing body, or any of its employees, counsel or agents will have any responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the Harbor Department and the Port or its financial condition or regarding the TIFIA Note, the provision for payment thereof, or the sufficiency of any security therefor. No written information has been provided by the City, the Board or the Harbor Department to the Purchaser with respect to the TIFIA Note. The Purchaser acknowledges that, as between the Purchaser and all of such parties, the Purchaser has assumed responsibility for obtaining such information and making such review as

the Purchaser deemed necessary or desirable in connection with its decision to purchase the TIFIA Note.

Terms not defined herein shall have the meanings given to them under (a) Resolution No. HD-2726 adopted by the Board of Harbor Commissioners of the City of Long Beach, California, on July 16, 2013 (together with all amendments, modifications and supplements thereto, the "Master Subordinate Resolution"), and (b) Resolution No. HD-[\_\_\_\_] adopted by the Board of Harbor Commissioners of the City of Long Beach, California, on [\_\_\_\_], 2014 (together with all amendments, modifications and supplements thereto, the "Third Supplemental Subordinate Resolution," and together with the Master Subordinate Resolution, the "Subordinate Resolution").

IN WITNESS WHEREOF, the undersigned representative has hereunto executed this letter as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[PURCHASER]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[MUST BE SIGNED BY ACTUAL PURCHASER]