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1 RESOLUTION NO. RES-05-0043

2  
3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH APPROVING THE ISSUANCE OF  
5 REFUNDING BONDS OF THE LONG BEACH BOND  
6 FINANCE AUTHORITY AND APPROVING RELATED  
7 AGREEMENTS AND ACTIONS

8  
9 WHEREAS, the Long Beach Bond Finance Authority (the "Authority") has  
10 heretofore issued its Long Beach Bond Finance Authority 1997 Limited Obligation  
11 Revenue Bonds, Series A (Assessment District No. 90-3 Refinancing) (the "Prior Series  
12 A Bonds") and its Long Beach Bond Finance Authority 1997 Limited Obligation  
13 Subordinate Revenue Bonds, Series B (Assessment District No. 90-3 Refinancing) (the  
14 "Prior Series B Bonds" and, collectively with the Prior Series A Bonds, the "Prior  
15 Bonds"), the proceeds of which Prior Bonds were used to purchase the City of Long  
16 Beach Earthquake Repair Assessment District No. 90-3 Limited Obligation  
17 Improvement Bonds (the "Assessment Bonds"); and

18 WHEREAS, in 1997, the City of Long Beach (the "City") purchased the  
19 Prior Series B Bonds from the Authority, to facilitate the refinancing of the Assessment  
20 Bonds and the workout of defaulted assessments; and

21 WHEREAS, City staff has determined that it is in the best financial  
22 interests of the City and the Authority that the Authority refinance the Prior Bonds at this  
23 time; and

24 WHEREAS, in order to refinance the Prior Bonds on advantageous terms  
25 and conditions, the Authority proposes to issue two series of its limited obligation  
26 revenue refunding bonds in the maximum aggregate initial principal amount of  
27 \$5,600,000 (the "Bonds") under Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5  
28 of the California Government Code (the "Refunding Law"), and to use the proceeds

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1 thereof to refund and defease the Prior Bonds; and

2           WHEREAS, the City Council wishes at this time to approve the issuance  
3 of the Bonds by the Authority and the purchase of the Series B Bonds (as defined  
4 below) by the City, and to approve the execution and delivery by the City of certain  
5 agreements and documents relating thereto;

6           NOW, THEREFORE, the City Council of the City of Long Beach resolves  
7 as follows:

8           Section 1.   ISSUANCE OF BONDS. The City Council hereby approves  
9 the issuance of the Bonds by the Authority, in the maximum initial principal amount of  
10 \$5,600,000, comprised of the Long Beach Bond Finance Authority 2005 Limited  
11 Obligation Revenue Refunding Bonds, Series A (Assessment District No. 90-3) (the  
12 "Series A Bonds"), and the Long Beach Bond Finance Authority 2005 Limited  
13 Obligation Subordinate Revenue Refunding Bonds, Series B (Assessment District No.  
14 90-3) (the "Series B Bonds"), under the Refunding Law and an Indenture of Trust dated  
15 as of June 1, 2005 (the "Indenture") by and between the Authority and The Bank of  
16 New York Trust Company, N.A., as trustee (the "Trustee") in the form on file with the  
17 City Attorney, together with any changes therein or additions thereto approved by the  
18 City Attorney, and the execution thereof by the Authority shall be conclusive evidence of  
19 the approval of any such changes or additions.

20           Sec. 2. ASSIGNMENT OF ASSESSMENT BONDS. The City Council  
21 hereby authorizes and approves the assignment of the Assessment Bonds from the  
22 trustee for the Prior Bonds (the "Prior Trustee") to the Trustee pursuant to and in  
23 accordance with the provisions of the Assignment Agreement by and among the City,  
24 the Authority, the Prior Trustee and the Trustee (the "Assignment Agreement"). The  
25 City Council hereby approves the Assignment Agreement in the form on file with the  
26 City Attorney, and hereby authorizes and directs the Director of Financial Management  
27 to execute the Assignment Agreement for and in the name of the City in such form,  
28 together with any changes therein or additions thereto approved by the City Attorney,

1 and the execution thereof by the Director of Financial Management shall be conclusive  
2 evidence of the approval of any such changes or additions.

3           Sec. 3.       SALE OF BONDS. The City Council hereby approves the  
4 sale of the Series A Bonds by negotiation with Stone & Youngberg LLC (the  
5 "Underwriter"). The Series A Bonds shall be sold pursuant to a Bond Purchase  
6 Agreement (the "Bond Purchase Agreement") by and among the Authority, the City and  
7 the Underwriter in the form on file with the City Attorney, together with any changes  
8 therein or additions thereto approved by the City Attorney, and the execution thereof by  
9 the Director of Financial Management shall be conclusive evidence of his approval of  
10 any such additions and changes. The Bond Purchase Agreement shall be executed in  
11 the name and on behalf of the City by the Director of Financial Management upon  
12 submission of a proposal by the Underwriter to purchase the Series A Bonds; provided,  
13 however, that such proposal is acceptable to the Director of Financial Management and  
14 is consistent with the requirements of this Resolution. The amount of Underwriter's  
15 discount shall be not more than three percent (3.0%) of the par amount of the Series A  
16 Bonds and the true interest cost of the Series A Bonds shall not exceed nine percent  
17 (9.0%) per annum.

18           The City Council hereby approves the purchase of the Series B Bonds by  
19 the City for a purchase price of not more than par but not less than the amount needed,  
20 together with the proceeds of the Series A Bonds, to refinance in full the Prior Bonds,  
21 with the purchase price to otherwise be determined by the City Treasurer following  
22 consultation with the Underwriter and consultation with the Executive Director of the  
23 Authority. The Series B Bonds shall be issued as zero coupon compound interest  
24 bonds and shall mature as set forth in the Indenture. The City Council hereby waives  
25 any and all applicable provisions of the City's investment policy as necessary to allow  
26 for (a) any use of City general funds to effect an investment in the Prior Series B Bonds  
27 on or before the date the Prior Series B Bonds are to be redeemed with proceeds of the  
28 Bonds, and (b) the purchase by the City of the Series B Bonds in accordance with this

1 Resolution and the documents herein approved.

2                   Sec. 4.       OFFICIAL STATEMENT. The City Council hereby  
3 approves, and hereby deems nearly final within the meaning of Rule 15c2-12 of the  
4 Securities Exchange Act of 1934, the preliminary Official Statement describing the  
5 Series A Bonds (the "Preliminary Official Statement") in the form on file with the City  
6 Attorney. The Director of Financial Management is hereby authorized to execute an  
7 appropriate certificate stating the City's determination that the Preliminary Official  
8 Statement has been deemed nearly final within the meaning of such Rule. Distribution  
9 of the Preliminary Official Statement in connection with the sale of the Series A Bonds  
10 is hereby approved. The Director of Financial Management is hereby authorized and  
11 directed to approve any changes in or additions to a final form of said Official  
12 Statement, and the execution thereof by the Director of Financial Management shall be  
13 conclusive evidence of his approval of any such changes and additions. The City  
14 Council hereby authorizes the distribution of the final Official Statement by the  
15 purchaser of the Series A Bonds. The final Official Statement shall be executed in the  
16 name and on behalf of the City by the Director of Financial Management.

17                   Sec. 5.       OFFICIAL ACTIONS. The Mayor, the City Manager, the  
18 Director of Financial Management, the City Treasurer, the City Clerk, the City Attorney  
19 and any and all other officers of the City are hereby authorized and directed, for and in  
20 the name and on behalf of the City, to do any and all things and take any and all  
21 actions, including execution and delivery of any and all assignments, certificates  
22 (including the Continuing Disclosure Certificate referenced in the Official Statement),  
23 requisitions, agreements, notices, consents, instruments of conveyance, warrants and  
24 other documents (including a Continuing Disclosure Certificate referenced in the Official  
25 Statement, and an agreement with the Authority for the purchase of the Series B  
26 Bonds), which they, or any of them, may deem necessary or advisable in order to  
27 consummate the issuance and sale of the Bonds and the refunding of the Prior Bonds,  
28 and any of the other transactions contemplated by the documents approved pursuant to

