

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 RESOLUTION NO. RES-10-0070

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING AMENDMENTS TO
5 THE EXISTING REIMBURSEMENT AGREEMENT
6 RELATING TO THE CITY OF LONG BEACH, CALIFORNIA
7 SUBORDINATE GAS UTILITY REVENUE COMMERCIAL
8 PAPER NOTES, SERIES A AND SERIES B (TAXABLE),
9 AND AUTHORIZING ACTIONS RELATED THERETO

10
11 WHEREAS, the City of Long Beach (the "City") is a city organized and
12 existing under a charter duly and regularly adopted pursuant to the provisions of the
13 Constitution of the State of California; and

14 WHEREAS, the City, by and through the Long Beach Energy Department
15 (the "Department") owns and operates the Gas Utility Enterprise (the "Enterprise"); and

16 WHEREAS, Section 1725(a) of Article XVII of the Charter of the City (the
17 "Charter") provides a procedure for the issuance of short-term revenue certificates by the
18 City; and

19 WHEREAS, Section 1725(b) of Article XVII of the Charter authorizes the
20 City to arrange for bank credit as additional security for short-term revenue certificates
21 issued pursuant to said Section and in connection with the execution and delivery of
22 promissory notes to evidence advances made under such bank credit facilities; and

23 WHEREAS, the City has previously entered into that certain Indenture of
24 Trust, dated as of February 1, 2005, (the "Second Lien Trust Indenture"), by and between
25 the City and The Bank of New York Trust Company, N.A. (the "Second Lien Trustee"), for
26 the purpose of refinancing certain improvements to the City's gas utility system, including
27 a gas heating, ventilation and cooling system and related cooling towers, equipment and
28 control systems; and

1 WHEREAS, pursuant to the Second Lien Trust Indenture the City has
2 granted to the Second Lien Trustee a lien on and pledge of the "Revenues" which are
3 defined in the Second Lien Trust Indenture, plus any additional sources of revenue which
4 may be pledged from time to time under the Second Lien Trust Indenture; and

5 WHEREAS, under the terms of the Second Lien Trust Indenture, the City
6 may issue or incur obligations payable from Revenues, on a basis subordinate to its
7 obligations incurred under the Second Lien Trust Indenture, in such amounts as the City
8 Council may determine; and

9 WHEREAS, the City previously determined that public interest and
10 necessity required the City to authorize the creation of an issue of short-term revenue
11 certificates, which revenue certificates are secured by and payable from Subordinate
12 Revenues (as defined in the hereinafter defined Master Subordinate Indenture) on a
13 subordinate basis to the pledge of Revenues granted to the Second Lien Trustee; and

14 WHEREAS, pursuant to the Master Subordinate Trust Indenture, dated as
15 of July 1, 2005 (the "Master Subordinate Indenture"), by and between the City and
16 Deutsche Bank National Trust Company, as trustee (the "Trustee") and the First
17 Supplemental Subordinate Trust Indenture, dated as of July 1, 2005 (the "First
18 Supplemental Subordinate Indenture"), by and between the City and the Trustee, the City
19 implemented a commercial paper program through the issuance, from time to time, of
20 Subordinate Gas Utility Revenue Commercial Paper Notes, Series A and Series B
21 (Taxable) (the "Commercial Paper Notes") in an aggregate principal amount not to
22 exceed \$35,000,000; and

23 WHEREAS, in connection with the issuance of the Commercial Paper
24 Notes, the City determined that it was appropriate and to the benefit of the City to arrange
25 for credit enhancement in the form of an irrevocable direct-pay letter of credit issued by
26 JPMorgan Chase Bank, National Association (the "Bank"), pursuant to a Reimbursement
27 Agreement, dated as of July 1, 2005 (the "Reimbursement Agreement") between the City
28 and the Bank; and

1 WHEREAS, the City has determined that it is in the best interests of the
2 City to extend the Letter of Credit Expiration Date (as defined in the Reimbursement
3 Agreement), and to make certain other amendments and modifications to the
4 Reimbursement Agreement by entering into the First Amendment to Reimbursement
5 Agreement (the "First Amendment to Reimbursement Agreement") between the City and
6 the Bank; and

7 WHEREAS, there has been presented to the City Council a Commitment
8 for the renewal of the Reimbursement Agreement (the "Commitment"), prepared by the
9 Bank and setting forth the changes to be made to the Reimbursement Agreement in the
10 First Amendment to Reimbursement Agreement;

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

13 Section 1. That the above recitals are true and correct and are
14 incorporated herein by reference.

15 Section 2. Approval of Amendments to the Reimbursement Agreement.
16 The Commitment is on file with the City Clerk, and the City Council hereby approves the
17 execution of the First Amendment to Reimbursement Agreement on behalf of the City by
18 either the City Manager, the Director of Financial Management, the City Treasurer or any
19 other Authorized City Representative (as defined in the Master Subordinate Indenture)
20 designated by the City Manager (each a "Designated Officer"), so long as the First
21 Amendment to Reimbursement Agreement is consistent with the summary of key terms
22 and conditions set forth in the Commitment. The City Council hereby authorizes the
23 delivery and performance of the First Amendment to Reimbursement Agreement and
24 from and after the execution and delivery of the First Amendment to Reimbursement
25 Agreement, the officers, agents and employees of the City are hereby authorized,
26 empowered and directed to do all such acts and things and to execute all such
27 documents as may be necessary to carry out and comply with the provisions of the First
28 Amendment to Reimbursement Agreement.

1 Additional Authorization. The City Manager, the Director of Financial
2 Management, the City Treasurer, and all officers, agents and employees of the City, for
3 and on behalf of the City, be and they hereby are authorized and directed to do any and
4 all things necessary to effect the execution and delivery of the First Amendment to
5 Reimbursement Agreement and to carry out the terms thereof. The Designated Officers
6 are further authorized and directed, for and on behalf of the City, to execute all papers,
7 documents, certificates and other instruments that may be required in order to carry out
8 the authority conferred by this Resolution or to evidence the same authority and its
9 exercise, including but not limited to, executing and delivering one or more amendments
10 to the First Supplemental Subordinate Indenture, the Issuing and Paying Agent
11 Agreement (as defined in the First Supplemental Subordinate Indenture) or the Dealer
12 Agreement (as defined in the First Supplemental Subordinate Indenture) necessitated by
13 executing the First Amendment to Reimbursement Agreement. The foregoing
14 authorization includes, but is in no way limited to, authorizing City staff to pay costs
15 associated with the execution and delivery of the First Amendment to Reimbursement
16 Agreement, including, but not limited to, the fees and costs of the Bank and their counsel,
17 the fees of Kutak Rock LLP, counsel to the City, and the fees and costs of Public
18 Financial Management Inc., financial advisor to the City.

19 Section 3. Severability of Invalid Provisions. If any one or more of the
20 provisions contained in this Resolution shall for any reason be held to be invalid, illegal or
21 unenforceable in any respect, then such provision or provisions shall be deemed
22 severable from the remaining provisions contained in this Resolution and such invalidity,
23 illegality or unenforceability shall not affect any other provision of this Resolution, and this
24 Resolution shall be construed as if such invalid or illegal or unenforceable provision had
25 never been contained herein. The City Council hereby declares that it would have
26 adopted this Resolution and each and every Section, paragraph, sentence, clause or
27 phrase hereof irrespective of the fact that any one or more Sections, paragraphs,
28 sentences, clauses or phrases of this Resolution may be held illegal, invalid or

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unenforceable.

Section 4. Governing Law. This Resolution shall be construed and governed in accordance with the laws of the State of California.

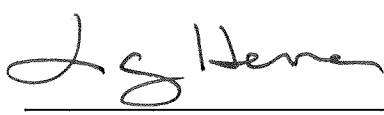
Section 5. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of July 6, 2010, by the following vote:

Ayes: Councilmembers: Lowenthal, DeLong, O'Donnell,
Schipske, Andrews, Reyes Uranga,
Gabelich, Lerch.

Noes: Councilmembers: None.

Absent: Councilmembers: Garcia.



City Clerk