
INDENTURE OF TRUST

by and between the

CITY OF LONG BEACH, CALIFORNIA

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

dated as of October 1, 2017

relating to:

\$ _____

**City of Long Beach
Tidelands Revenue Bonds, Series 2017A
(Aquarium of the Pacific Project)**

and

\$ _____

**City of Long Beach
Taxable Tidelands Revenue Bonds, Series 2017B
(Queen Mary Improvements)**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of October 1, 2017 (the "Indenture"), is by and between the CITY OF LONG BEACH, CALIFORNIA, a municipal corporation and chartered city organized and existing under its charter and laws of the State of California (the "City"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in Los Angeles, California, and being qualified to accept and administer the trusts hereby created (the "Trustee").

RECITALS:

WHEREAS, the City has determined to issue its City of Long Beach Tidelands Revenue Bonds, Series 2017A (Aquarium of the Pacific Project) (the "Series A Bonds"), and its City of Long Beach Taxable Tidelands Revenue Bonds, Series 2017B (Queen Mary Improvements) (the "Series B Bonds", and together with the Series A Bonds, the "Bonds"), pursuant to Division 1 of Chapter 3.52 of Title 3 of the Long Beach Municipal Code (the "Law") and this Indenture in order to finance improvements for the Aquarium of the Pacific and for the Queen Mary, as described in Exhibits B and C hereto, respectively, as well as to fund a reserve fund for the Bonds, and pay the costs of issuance of the Bonds;

WHEREAS, the Bonds are special, limited obligations of the City, payable solely from and secured by a pledge of Available Tidelands Operating Revenue, Available Tidelands Oil Revenue and Available Tidelands Operating Fund Balance (together, the "Tidelands Revenues") on a parity with certain other obligations of the City as set forth herein, and certain other moneys and securities held by the Trustee hereunder;

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and premium (if any) and of the interest thereon, the City Council of the City has authorized the execution of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the City, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the City, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Indenture have been in all respects duly authorized.

AGREEMENT

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and premium (if any) and interest on all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the City does hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes of this Indenture and of any Supplemental Indenture and of any certificate, opinion, request or other documents herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

"Annual Report" has the meaning set forth in Section 8.13 hereof.

"Aquarium" means the Aquarium of the Pacific, a California nonprofit public benefit corporation.

"Aquarium Representative" means the _____, _____ or _____ of the Aquarium.

"Aquarium Project Fund" means the fund so designated and established pursuant to Section 3.03.

"Aquarium Project" means the improvements to the Aquarium of the Pacific facilities to be financed in part with a portion of the proceeds of the Series A Bonds, as more fully described in Exhibit B hereto; together with such changes thereto as the City Council may approve and which shall be set forth in one or more Certificates of the City delivered to the Trustee, so long as in the opinion of Bond Counsel such changes (a) do not, in themselves, adversely affect the exclusion from gross income of the owners of the Series A Bonds of the interest payable on the Series A Bonds, and (b) are permitted under the Law.

"Authority" means the Long Beach Bond Finance Authority.

"Authorized Representative" means the Mayor, the City Manager, the Director of Financial Management, the City Treasurer or any other person designated as an Authorized Representative of the City by a Certificate of the City signed by an Authorized Representative and filed with the Trustee.

"Available Tidelands Oil Revenue" means, as of any date of calculation, all of the following amounts deposited or required to be deposited in the Tidelands Oil Revenue Fund during the Fiscal Year in which the calculation date occurs: (a) moneys received by the City pursuant to subdivision (e) of Section 4 of Chapter 138 of California Statutes of 1964 (First Extraordinary Session), as modified by Chapter 941 of California Statutes of 1991, (b) East Wilmington Incremental Oil Revenue, (c) the rental payments paid to the City pursuant to the THUMS Land Lease, (d) the fees paid to the City pursuant to the THUMS Pipeline License, (e) West Wilmington Base Oil Revenue, (f) West Wilmington Incremental Oil Revenue, and (g) Tidelands' Special Facilities and Service Charges, except any of the amounts described in (a) through (g) that are set-aside for (i) abandonment purposes, including, but not limited to amount deposited to the Abandonment Sub-Fund in the Tidelands Oil Revenue Fund, or (ii) maintenance and operating expenses.

"Available Tidelands Operating Fund Balance" means, as of any date of calculation, the amount on deposit in the Tidelands Operating Fund that is unencumbered and available to be

expended for any purpose of the Tideland Operating Fund; but shall not include (a) any amounts needed to satisfy any of the obligations described in clauses (a) through and including (e) of the definition "Available Tidelands Operating Revenue" due in the then current Fiscal Year or due in any prior Fiscal Year but not yet paid; (b) any amounts in any Abandonment Sub-Fund in the Tideland Operating Fund; or (c) any amounts in the Tideland Operating Fund associated with the Marinas, the Queen Mary or the Rainbow Harbor Area.

"Available Tidelands Operating Revenue" means, as of any date of calculation, all of the amounts deposited or required to be deposited in the Tideland Operating Fund during the Fiscal Year in which the date of calculation occurs pursuant to the City Charter and any and all documents, agreements, ordinances, settlements or other contractual or legal rights or claims of the City, except (a) amounts required to be paid during such Fiscal Year from the Tideland Operating Fund pursuant to the Second Amended and Restated Parking Structure-Public Facilities Sublease, by and between the City and the Hyatt Long Beach Corporation, dated as of January 27, 1995; (b) amounts, if any, required to be paid during such Fiscal Year from the Tideland Operating Fund pursuant to the Management Agreement (Long Beach Convention and Entertainment Center) by and between the City and Spectacor Management Group, dated as of February 12, 1991, as amended from time to time; (c) amounts required to be paid during such Fiscal Year to the State Department of Boating and Waterways for loans made under the Small Craft Harbor and Operation Contract (Long Beach Bulkhead Wall Restoration and Harbormaster Office); (d) amounts required to be paid by the City, as lessee, under the Master Equipment Lease-Purchase Agreement, dated October 1, 2005, between the City and DeLiddo and Associates, Inc., dba DEERS, as lessor, which amounts have been assigned to Bank of Sierra (which lease relates to the roofing system for the City's convention center); (e) any amounts associated with the Marinas, the Queen Mary or the Rainbow Harbor Area; and (f) amounts required to be paid during such Fiscal Year to Southern California Edison ("SCE") for loans made for municipal energy efficiency projects.

"Bond Fund" means the fund by that name established pursuant to Section 5.01.

"Bond Registration Books" means the books maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Bonds.

"Bond Reserve Account" means the account by that name in the Bond Fund so designated and established pursuant to Section 5.01 which shall serve as the reserve fund for the Bonds only and not for any obligations of the City.

"Bond Reserve Requirement" means an amount equal to the least of maximum annual debt service on the Bonds, 125% of average annual debt service on the Bonds, and 10% of the principal amount of the Bonds, which amount shall initially be \$_____ on the Closing Date.

"Bond Year" means any twelve-month period commencing on November 2 in a year and ending on the next succeeding November 1, both dates inclusive; provided, however, that the first Bond Year shall commence on the Closing Date relating to the Bonds and shall end on November 1, 2017.

"Bonds" means, collectively, the Series A Bonds and the Series B Bonds.

"Business Day" means (a) any day that is not a Saturday, Sunday or legal holiday or day on which banking institutions in the State are closed, or (b) a day on which the New York Stock Exchange is closed.

“Calculation Agent” means a commercial bank or an investment banking institution of national standing that is a primary dealer of United States government securities in the United States and designated by the City (which may be one of the institutions that served as underwriters for the Series B Bonds being redeemed).

“Certificate,” “Statement,” “Request,” “Requisition” and *“Order”* of the City mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the City by an Authorized Representative.

“Chapter 138” means Chapter 138 of California Statutes of 1964 (First Extraordinary Session), pursuant to subdivision (e) of Section 4 of which the City receives a portion of the tidelands oil revenue from East Wilmington, as modified by Chapter 941 of California Statutes of 1991.

“City” means the City of Long Beach, California, a municipal corporation and chartered city organized and existing under its charter and laws of the State, and any successor thereto.

“City Charter” means the charter of the City, as it may from time to time be supplemented or amended.

“City Council” means the City Council of the City.

“City Pledge Agreement” means that certain City Pledge Agreement, dated as of March 1, 2012, by and between the Authority and the City, in favor of U.S. Bank National Association, successor to The Bank of New York Mellon Trust Company, N.A., as trustee, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and the provisions of Section 6.06 of this Indenture.

“Closing Date” means October __, 2017, being the date upon which there was an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Original Purchaser thereof.

“Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date, or as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated under the Code.

“Comparable Treasury Issue” means the United State Treasury security selected by the Calculation Agent as having a maturity comparable to the remaining term to maturity of the Bonds being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series B Bonds being redeemed.

“Comparable Treasury Price” means, with respect to any date on which a Series B Bond or portion thereof is being redeemed, either (a) the average of five Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (b) if the Calculation Agent is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Calculation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Calculation Agent, at 5:00 p.m. New York City time on the third business day preceding the date fixed for redemption.

“Comparable Treasury Yield” means the yield that represents the weekly average yield to maturity for the preceding week appearing in the most recently published statistical release designated “H.15 (519) Selected Interest Rates” under the heading “Treasury Constant Maturities,” or any successor publication selected by the Calculation Agent that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Series B Bonds being redeemed. The Comparable Treasury Yield will be determined as of the third business day immediately preceding the applicable date fixed for redemption. If the H.15 (519) statistical release sets forth a weekly average yield for United States Treasury securities that have a constant maturity that is the same as the remaining term to maturity of the Series B Bonds being redeemed, then the Comparable Treasury Yield will be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis between the weekly average yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Series B Bond being redeemed; and (ii) closest to and less than the remaining term to maturity of the Series B Bond being redeemed. Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If, and only if, weekly average yields for United States Treasury securities for the preceding week are not available in the H.15 (519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (each as defined herein) as of the date fixed for redemption.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the City and dated the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, municipal advisors, fiscal consultants, accounting firms, other consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund so designated and established pursuant to Section 3.02.

“Debt Service” means, during any period of computation, the amount obtained for such period by totaling the following amounts: (a) the principal amount of all Outstanding Bonds coming due and payable by their terms in such period; and (b) the interest which would be due during such period on the aggregate principal amount of Bonds which would be Outstanding in such period if the Bonds are retired as scheduled, but deducting and excluding from such aggregate amount the amount of Bonds no longer Outstanding.

“Defeasance Obligations” means (a) cash, (b) direct non-callable obligations of the United States of America, (c) securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, (d) Refcorp

interest strips, (e) CATS, TIGRS, STRPS, (f) defeased municipal bonds rated “AAA” by Fitch or “Aaa” by Moody’s or “AAA” by S&P, and (g) any combination of the foregoing.

“*East Wilmington*” means that portion of the Wilmington Oil Field identified as the “Long Beach Unit” in the East Wilmington Optimized Waterflood Agreement.

“*East Wilmington Incremental Oil Revenue*” means the City’s portion, from and after January 1, 2000, of the net profits attributable to oil production that exceeds the level of base oil production in East Wilmington, as allowed under the East Wilmington Optimized Waterflood Agreement, and as referenced in Section 2(b)(1)(C) of Chapter 941, California Statutes of 1991 (being eight and one-half percent (8-1/2%) of such net profits).

“*East Wilmington Optimized Waterflood Agreement*” means the Agreement for Implementation of an Optimized Waterflood Program for Long Beach Unit, entered into in November 5, 1991 pursuant to Chapter 941, California Statutes of 1991, among the City, the State, acting through the State Lands Commission, Occidental Petroleum Company (as successor to Atlantic Richfield Company) and OXY Long Beach, Inc. (“OXY”) (successor to ARCO Long Beach, Inc.), whereby OXY agreed to make certain capital investments in East Wilmington in order to increase oil production, and, as an incentive to OXY for undertaking such financial risk, OXY would receive a portion of the net profits attributable to the increased oil production.

“*Event of Default*” means any of the events of default described in Section 7.01.

“*Fair Market Value*” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) the investment is the Local Agency Investment Fund of the State but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

“*Federal Securities*” means (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), the payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America; and (b) any obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

“*Filing Date*” means January 31 of each year, commencing January 31, 2018.

“*Fiscal Year*” means the period commencing on October 1 of each year and terminating on the next succeeding September 30.

"Fitch" means Fitch Ratings, Inc., New York, New York, or its successors.

"Harbor Board" means the Board of Harbor Commissioners of the City.

"Harbor District" means the harbor district of the City, as referenced in Section 12.01 of the City Charter.

"Indenture" means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture pursuant to the provisions hereof.

"Independent Accountant" means any certified public accountant or firm of such accountants appointed and paid by the City, and who, or each of whom: (a) is in fact independent and not under domination of the City; (b) does not have any substantial interest, direct or indirect, with the City; and (c) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make annual or other audits of the books of or reports to the City.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information with respect to called bonds as the City may designate in a Certificate of the City delivered to the Trustee.

"Interest Account" means the account by that name in the Bond Fund established pursuant to Section 5.01.

"Interest Payment Date" means May 1 and November 1 in each year, beginning May 1, 2018, and continuing so long as any Bonds remain Outstanding.

"Law" means the Division 1 of Chapter 3.52 of Title 3 of the Long Beach Municipal Code.

"Marinas" means the three City-owned marinas in the Tidelands Area.

"Maximum Aggregate Annual Debt Service" means, as of the date of calculation, the maximum amount of Debt Service for the current or any future Bond Year with respect to all Outstanding Bonds.

"Moody's" means Moody's Investors Service, New York, New York, or its successors.

"Original Purchaser" means Merrill Lynch, Pierce, Fenner & Smith Incorporated, the first purchaser of the Bonds from the City.

"Outstanding," when used as of any particular time with reference to Bonds, means all Bonds theretofore executed, issued and delivered by the City under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 10.02; and (c) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the City pursuant to this Indenture or any Supplemental Indenture.

"Owner" or *"Bond Owner"*, when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Bond Registration Books.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein, but only to the extent that the same are acquired at Fair Market Value (provided the Trustee may rely upon the Request of the City directing investment under the Indenture as a determination that such investment is a Permitted Investment):

(a) Federal Securities.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
2. U.S. Farmers Home Administration (FmHA)
Certificates of Beneficial Ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures (FHA)
5. General Services Administration
Participation Certificates
6. Government National Mortgage Association (GNMA or Ginnie Mae)
GNMA—guaranteed mortgage-backed bonds
GNMA—guaranteed pass-through obligations
7. U.S. Maritime Administration
Guaranteed Title XI financing
8. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies which are not backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations

2. Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
Participation Certificate
Senior debt obligations
3. Federal National Mortgage Association (FNMA or Fannie Mae)
Mortgage-backed securities and senior debt obligations
4. Student Loan Marketing Association (SLMA or Sallie Mae)
Senior debt obligations
5. Resolution Funding Corp. (REFCORP) obligations
6. Farm Credit System
Consolidated systemwide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, if rated by Fitch having a rating at the time of investment of "AAA," or if rated by Moody's having a rating at the time of investment of "Aaa," or if rated by S&P, having a rating at the time of investment of "AAAm" or "AAAm-G"; including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks or savings and loan associations (including the Trustee or its affiliates). The collateral must be held by a third party and the Owners must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC or secured at all times by collateral described in (a) and/or (b) above.

(g) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P.

(h) Federal funds or bankers acceptances with a maximum term of 180 days of any bank which has an unsecured, uninsured and unguaranteed obligation rating at the time of investment of "Prime-1" or better by Moody's and "A-1" or better by S&P.

(i) The Local Agency Investment Fund of the State, created pursuant to 16429.1 of the California Government Code.

(j) Municipal obligations rated "A" or higher by S&P.

(k) Other forms of investments that satisfy the City's Statement of Investment Policy as of the time of investment.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

“Principal Account” means the account by that name in the Bond Fund established pursuant to Section 5.01.

“Projects” means, collectively, the Queen Mary Project and the Aquarium Project.

“Qualified Reserve Fund Credit Instrument” means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company rated, at the time it is provided to the Trustee, at least rated “AA” by Fitch or “Aa” by Moody’s or “AA” by S&P.

“Queen Mary” means operations of the City related to the vessel known as Queen Mary and related facilities located in the Tidelands Area.

“Queen Mary Lease” means the Amended and Restated Lease and Operations Agreement of Queen Mary, Adjacent Lands and Improvements, Dome and Queen’s Marketplace, dated as of November 1, 2016, by and between the City and Urban Commons Queenway, LLC, as executed by the parties thereto and as it may thereafter be amended in accordance with its terms.

“Queen Mary Project” means the improvements to the Queen Mary to be financed with a portion of the proceeds of the Series B Bonds, as more fully described in Exhibit C hereto; together with such changes thereto as the City Council may approve and which shall be set forth in one or more Certificates of the City delivered to the Trustee, so long as in the opinion of Bond Counsel such changes are permitted under the Law.

“Rainbow Harbor Area” means the area within the Tidelands Area known as Rainbow Harbor, including approximately 25.04 acres of land and 22.73 acres of water. The Rainbow Harbor Area is more specifically described in Exhibit A to the Site and Facility Lease, dated as of April 1, 2006, between the City and the Authority.

“Rating Category” means, with respect to any Permitted Investment, one or more of the generic categories of rating by Fitch, Moody’s and/or S&P applicable to such Permitted Investment, without regard to any refinement or gradation of such rating category by a plus or minus sign.

“Record Date” means, with respect to any Interest Payment Date, the fifteenth calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day. With respect to any payment of defaulted interest a special Record Date shall be established in accordance with the provisions hereof.

“Redemption Fund” means the fund by that name established pursuant to Section 5.01.

“Redemption Price” means, with respect to any Bond (or portion thereof) the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Indenture.

“Reference Treasury Dealer” means a primary dealer of United States Government securities in the United States (which may be one of the institutions that served as underwriters

for the Bonds being redeemed) appointed by the City and reasonably acceptable to the Calculation Agent.

"Reporting Period" means the period between July 1 of each year and June 30 of the immediately following year.

"S&P" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, New York, New York, or its successors.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041-0099, Attention: Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in a Certificate of the City delivered to the Trustee.

"Series A Bonds" means the City of Long Beach Tidelands Revenue Bonds, Series 2017A (Aquarium of the Pacific Project), issued and at any time Outstanding under this Indenture.

"Series A Term Bonds" means the Series A Bonds maturing on November 1, ____.

"Series B Bonds" means the City of Long Beach Taxable Tidelands Revenue Bonds, Series 2017B (Queen Mary Improvements), issued and at any time Outstanding under this Indenture.

"Series B Term Bonds" means the Series B Bonds maturing on November 1, _____, and November 1, _____.

"Sinking Account" means the subaccount in the Principal Account so designated and established pursuant to Section 5.04.

"Special Record Date" means the date established by the Trustee pursuant to Section 2.02 as a record date for the payment of defaulted interest on Bonds.

"State" means the State of California.

"Supplemental Indenture" means any indenture hereafter duly authorized and entered into between the City and the Trustee, amendatory of or supplemental to this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Tax-Exempt Bonds" means the Series A Bonds.

"THUMS Land Lease" means the Lease, dated January 2, 1997, as amended, between the City and THUMS Long Beach Company, pursuant to which THUMS Long Beach Company pays the City rent on a monthly basis for the use of certain parcels of real property located in the Harbor District.

"THUMS Pipeline License" means the Pipeline License, effective as of February 11, 2005, between the City, acting by and through its Harbor Board, and THUMS Long Beach Company, pursuant to which the City, acting by and through the Harbor Board, permitted THUMS Long Beach Company to lay, operate, repair and renew certain pipelines and necessary attachments, facilities and appurtenances, and granted certain rights of ingress and egress to and from the same over City-owned property in the Harbor District.

“Tideland Oil Revenue Fund” means the fund by that name established and maintained by the City pursuant to Section 1709 of the City Charter.

“Tideland Operating Fund” means the fund by that name established and maintained by the City pursuant to Section 1710 of the City Charter.

“Tideland’s Special Facilities and Service Charges” means the special facilities and services charge that the City may apply and collect with regard to all oil operations within the tideland portion of the Harbor District, except for those areas occupied by the East Wilmington oil operations, all pursuant to Section I of the agreement entered into in October, 1976, by the City, the Harbor Board and the State, acting by and through the State Lands Commission.

“Tidelands Area” means (a) all of the tidelands within the territorial boundaries of the City, from the mean high tide line to three miles offshore granted to the City pursuant to Chapter 676 of California Statutes of 1911, Chapter 102 of California Statutes of 1925 and Chapter 158 of California Statutes of 1935 (as further defined by Chapter 29 of California Statutes of 1956 (First Extraordinary Session), Chapter 138 and Chapter 941 of California Statutes of 1991), together with (b) real property acquired with funds arising from the territory described in the preceding clause (a).

“Tidelands Revenues” means, collectively, Available Tidelands Oil Revenues, Available Tidelands Operating Fund Balance and Available Tidelands Operating Revenue.

“Trust Office” means the principal corporate trust office of the Trustee in Los Angeles, California, identified in Section 11.07; except that, with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust operations and agency business shall be conducted, initially in St. Paul, Minnesota.

“Trustee” means U.S. Bank National Association, appointed by the City to act as trustee hereunder pursuant to Section 8.01, and its assigns or any other corporation or association which may at any time be substituted in its place, as provided in Section 8.08.

“West Wilmington” means that portion of the Wilmington Oil Field referred to as the West Wilmington oil field in the West Wilmington Optimized Waterflood Agreement.

“West Wilmington Base Oil Revenue” means the ninety-seven percent (97%) of the net profits from a base level of oil production in West Wilmington, which are allocated to the City pursuant to, and as more particularly provided for in, Section 2.06 of the West Wilmington Optimized Waterflood Agreement.

“West Wilmington Incremental Oil Revenue” means the fifty-one percent (51%) of the net profits attributable to oil production that exceeds a certain base level of oil production in West Wilmington, which are allocated to the City pursuant to, and as more particularly set forth in, Recital C to and Section 2.06 of the West Wilmington Optimized Waterflood Agreement.

“West Wilmington Optimized Waterflood Agreement” means the Agreement for Implementation of an Optimized Waterflood Program for the West Wilmington Oil Field, entered into as of January 1, 2010 by the City and Tidelands Oil Production Company, pursuant to which Tidelands Oil Production Company agreed to make certain capital investments in West Wilmington.

“Wilmington Oil Field” means the oil field comprised of East Wilmington and West Wilmington, located on the 13 mile long and 3 mile wide Wilmington Anticline that extends from onshore San Pedro to offshore Seal Beach.

Section 1.02. Rules of Construction. All references in this Indenture to “Articles,” “Sections,” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract between the City and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II

THE BONDS

Section 2.01. Authorization of the Bonds. The City hereby authorizes the issuance of the Bonds, which shall be special obligations of the City, for the purpose of providing funds for the Projects. The Series A Bonds are hereby designated the "City of Long Beach Tidelands Revenue Bonds, Series 2017A (Aquarium of the Pacific Project)." The Series B Bonds are hereby designated the "City of Long Beach Taxable Tidelands Revenue Bonds, Series 2017B (Queen Mary Improvements)."

At any time after the execution and delivery of this Indenture, the City may execute and the Trustee, upon Request of the City, shall authenticate and deliver the Series A Bonds in the initial aggregate principal amount of _____ hundred _____ million _____ thousand dollars (\$_____), and the Series B Bonds in the initial aggregate principal amount of _____ hundred _____ million _____ thousand dollars (\$_____).

Section 2.02. Terms of the Bonds. The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Bond of any series shall have more than one maturity date.

The Series A Bonds shall be dated as of their date of delivery, shall mature on November 1 in each of the years and in the amounts, and shall bear interest at the rates, as follows:

<u>Maturity Date (November 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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The Series B Bonds shall be dated as of their date of delivery, shall mature on November 1 in each of the years and in the amounts, and shall bear interest at the rates, as follows:

<u>Maturity Date (November 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Bond Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check or, at the option of any Owner of at least \$1,000,000 aggregate principal amount of Bonds and upon written notice received by the Trustee prior to the Record Date, by wire transfer, at the

Owner's address as it appears on the Bond Registration Books or to such account as shall have been identified by the Owner in the notice requesting payment by wire transfer. Interest on the Bonds shall be computed on the basis of a year consisting of 360 days and twelve 30-day months. Principal of and premium (if any) on any Bond shall be paid upon presentation and surrender thereof at the Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall bear interest from the Interest Payment Date next preceding the authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before April 15, 2018, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Owner on such Record Date and shall be paid to the person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not less than ten (10) days prior to such Special Record Date.

The Bonds shall be subject to redemption as provided in Article IV.

Section 2.03. Form of Bonds. The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.04. Execution of Bonds. The Bonds shall be signed in the name and on behalf of the City with the facsimile signature of its Mayor, City Manager, Director of Financial Management or City Treasurer and attested by the facsimile signature of its City Clerk. The Bonds shall then be delivered to the Trustee for authentication by it. In case any officer who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the City as though the individual who signed the same had continued to be such officer of the City. Also, any Bond may be signed on behalf of the City by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer of the City.

Only such of the Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.05. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Bond Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, endorsed or accompanied by delivery of a written instrument of transfer in a form acceptable to

the Trustee, duly executed. Every Bond so surrendered to the Trustee shall be canceled by it and destroyed. Whenever any Bond shall be surrendered for transfer, the City shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like maturity and aggregate principal amount of authorized denominations. The Trustee shall require the Owner requesting such transfer to pay any tax or other charge required to be paid with respect to such transfer. No Bond, the notice of redemption of which has been mailed pursuant to Section 4.03, shall be subject to transfer pursuant to this Section 2.05. No transfer shall be required during the period established by the Trustee for the selection of Bonds for redemption.

Section 2.06. Exchange of Bonds. Bonds may be exchanged at the Trust Office of the Trustee, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Trustee shall require the Owner requesting such exchange to pay any tax or other charge required to be paid with respect to such exchange. No Bond, the notice of redemption of which has been mailed pursuant to Section 4.03, shall be subject to exchange pursuant to this Section 2.06. No exchange of Bonds shall be required during the period established by the Trustee for the selection of Bonds for redemption.

Section 2.07. Temporary Bonds. The Bonds may be issued initially in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bond may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the City and may contain such reference to any of the provisions of this Indenture as may be appropriate. A temporary Bond may be in the form of a single registered bond payable in installments, each on the date, in the amount and at the rate of interest established for the Bonds maturing on such date. Every temporary Bond shall be executed by the City and authenticated by the Trustee upon the same conditions and in the same manner as the definitive Bonds. If the City issues temporary Bonds, it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations of the same maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.08. Bond Registration Books. The Trustee will keep or cause to be kept at its Trust Office sufficient books for the registration and transfer of the Bonds, which shall at all times during regular business hours be open to inspection by the City upon reasonable notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as hereinbefore provided.

Section 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the City shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and authorized denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and destroyed and the Trustee shall provide evidence of such destruction to the City. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the City and the Trustee and, if such evidence be satisfactory to the Trustee and indemnity for the City and the Trustee satisfactory to the Trustee shall be given, the City, at the expense of the Bond Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a

substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of the aforementioned indemnity). The City may require payment of a reasonable fee for each new Bond issued under this Section 2.09 and of the expenses which may be incurred by the City and the Trustee in connection therewith. Any Bond issued under the provisions of this Section 2.09 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the City whether or not the Bond alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

Section 2.10. Book-Entry System. Notwithstanding any provision of this Indenture to the contrary:

(a) At the request of the Original Purchaser, the Bonds shall be initially issued registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, the depository designated by the Original Purchaser, and shall be evidenced by one certificate maturing on each of the maturity dates set forth in Section 2.02 hereof to be in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company or its nominee, or of any substitute depository designated pursuant to paragraph (ii) of this subsection (a) ("substitute depository"); provided that any successor of The Depository Trust Company or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any substitute depository designated in a written request of the City, upon (i) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (ii) a determination by the City that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the City that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that no substitute depository which is not objected to by the City and the Trustee can be obtained.

(b) In the case of any transfer pursuant to paragraph (i) or paragraph (ii) of subsection (a) of this Section 2.10, upon receipt of all Outstanding Bonds by the Trustee, together with a written request of an Authorized Representative of the City to the Trustee, a single new Bond shall be issued, authenticated and delivered for each maturity of such Bond then outstanding, registered in the name of such successor or such substitute depository or their nominees, as the case may be, all as specified in such written request of an Authorized Representative of the City. In the case of any transfer pursuant to paragraph (iii) of subsection (a) of this Section 2.10, upon receipt of all Outstanding Bonds by the Trustee together with a written request of an Authorized Representative of the City, new Bonds shall be issued, authenticated and delivered in such denominations and registered in the names of such persons as are requested in a written request of the City provided the Trustee shall not be required to deliver such

new Bonds within a period less than sixty (60) days from the date of receipt of such a written request of an Authorized Representative of the City.

(c) In the case of partial redemption or an advance refunding of any Bonds evidencing all of the principal maturing in a particular year, The Depository Trust Company shall, at the City's expense, deliver the Bonds to the Trustee for cancellation and re-registration to reflect the amounts of such reduction in principal.

(d) The City and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the absolute Owner thereof for all purposes of this Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the City; and the City and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying or otherwise dealing with any beneficial owners of the Bonds. Neither the City nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including The Depository Trust Company or its successor (or substitute depository or its successor), except for the registered owner of any Bond.

(e) So long as all outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the City and the Trustee shall reasonably cooperate with Cede & Co., as sole registered Owner, or its registered assign in effecting payment of the principal and redemption premium, if any, and interest due with respect to the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(f) So long as all Outstanding Bonds are registered in the name of Cede & Co. or its registered assigns (hereinafter, for purposes of this paragraph (f), the "Owner"):

(i) All notices and payments addressed to the Owners shall contain the Bonds' CUSIP number.

(ii) Notices to the Owner shall be forwarded in the manner set forth in the form of blanket issuer letter of representations (prepared by The Depository Trust Company) executed by the City and received and accepted by The Depository Trust Company.

ARTICLE III

APPLICATION OF PROCEEDS; COSTS OF ISSUANCE FUND; PROJECT FUND

Section 3.01. Application of Proceeds of Bonds. (a) Upon the receipt of payment for the Series A Bonds on the Closing Date of \$_____ (being the principal amount of the Series A Bonds of \$_____, less an underwriter's discount of \$_____, plus a net original issue premium of \$_____), the Trustee shall apply the proceeds of sale thereof as follows:

- (i) the Trustee shall deposit \$_____ to the Costs of Issuance Fund;
- (ii) the Trustee shall deposit \$_____ to the Aquarium Project Fund;
- (iii) the Trustee shall deposit \$_____ to the Bond Reserve Account; and
- (iv) the Trustee shall deposit \$_____ to the Interest Account (being an amount equal to the interest due on the Series A Bonds on May 1, 2018).

(b) Upon the receipt of payment for the Series B Bonds on the Closing Date of \$_____ (being the principal amount of the Series B Bonds of \$_____, less an underwriter's discount of \$_____, less an original issue discount of \$_____), the Trustee shall apply the proceeds of sale thereof as follows:

- (i) the Trustee shall deposit \$_____ to the Costs of Issuance Fund;
- (ii) the Trustee shall transfer to the City \$_____, and the City shall dispose of such amount by (A) depositing \$_____ to the Historic Preservation and Capital Investment Plan Fund established pursuant to the Queen Mary Lease for use as provided in Section 7.3.2 and 7.3.3 of the Queen Mary Lease, and (B) retaining \$_____ to reimburse the City for past contributions by it to such Historic Preservation and Capital Investment Plan Fund; and
- (iii) the Trustee shall deposit \$_____ to the Bond Reserve Account.

(c) The Trustee may establish temporary funds or accounts on its records to facilitate the transfers described in (a) and (b) above.

Section 3.02. Establishment and Application of Costs of Issuance Fund.

(a) The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay Costs of Issuance upon receipt by the Trustee of a Requisition of the City stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred, payment instructions and that such payment is a proper charge against said fund. Each such Requisition of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(b) At the end of three months from the Closing Date, or upon earlier receipt of a Certificate of the City stating that amounts in the Costs of Issuance Fund are no longer required for the payment of Costs of Issuance, the Costs of Issuance Fund shall be closed and any

amounts then remaining in said account shall be transferred by the Trustee to the City, to be used for any lawful purpose for which Tidelands Revenues may be expended.

Section 3.03. Establishment and Application of Aquarium Project Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Aquarium Project Fund." The moneys in the Aquarium Project Fund shall be withdrawn and used by the Aquarium for the Aquarium Project. Withdrawals shall be made from the Aquarium Project Fund upon receipt by the Trustee of a Requisition in the form of Exhibit D hereto, executed by the Aquarium and approved by an Authorized Representative on behalf of the City, and the Trustee shall remit funds in the Aquarium Project Fund to the entities identified in each such Requisition. Each such Requisition of the Aquarium shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. When no funds remain in the Aquarium Project Fund, the Aquarium Project Fund shall be closed.

Section 3.04. Validity of Bonds.

(a) The City has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the City is now authorized, pursuant to each and every requirement of the Law to issue the Bonds in the form and manner provided in this Indenture and the Bonds shall be entitled to the benefit, protection and security of the provisions of this Indenture.

(b) From and after the issuance of the Bonds, the findings and determinations of the City respecting the Bonds shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of the Bonds is at issue, and no bona fide purchaser of any of the Bonds shall be required to see to the existence of any fact or to the performance of any condition or to the taking of any proceeding required prior to such issuance or to the application of the proceeds of sale of the Bonds. The recital contained in the Bonds that the same are issued pursuant to the Law and this Indenture shall be conclusive evidence of their validity and of the regularity of their issuance and all Bonds shall be incontestable from and after their issuance.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Terms of Redemption.

(a) *Mandatory Sinking Fund Redemption.* (i) The Series A Term Bonds are subject to redemption prior to their stated maturity, in part, by lot, from mandatory Sinking Account payments deposited in the Sinking Account pursuant to Section 5.04(c)(i), at a redemption price equal to the principal amount thereof to be redeemed and interest accrued thereon to the date fixed for redemption, without premium.

(ii) The Series B Term Bonds are subject to redemption prior to their stated maturity, in part, by lot, from mandatory Sinking Account payments deposited in the Sinking Account pursuant to Section 5.04(c)(ii), at a redemption price equal to the principal amount thereof to be redeemed and interest accrued thereon to the date fixed for redemption, without premium.

(b) *Optional Redemption.* (i) The Series A Bonds maturing on or before November 1, 2022, are not subject to redemption prior to maturity. The Series A Bonds maturing on or after November 1, 2023, are subject to redemption prior to their respective stated maturities, from moneys deposited in the Redemption Fund from any source of available funds, at the option of the City, in whole or in part by lot within a maturity, on any date on or after November 1, 2022, at a redemption price equal to the principal amount of Bonds called for redemption, together with accrued interest to the date fixed for redemption, without premium.

(ii) The Series B Bonds maturing on or before November 1, ____, are subject to redemption prior to maturity at the option of the City, in whole or in part, on any date, at a redemption price equal to the greater of:

(A) 100% of the principal amount of the Series B Bonds to be redeemed; or

(B) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series B Bonds are to be redeemed, discounted to the date on which such Series B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Comparable Treasury Yield (defined below) plus 20 basis points;

plus, in each case, accrued interest on such Series B Bonds to be redeemed to the redemption date.

(iii) The Series B Bonds maturing on or after November 1, ____, are subject to redemption prior to their respective stated maturities, from moneys deposited in the Redemption Fund from any source of available funds, at the option of the City, in whole or in part by lot within a maturity, on any date on or after November 1, ____, at a redemption price equal to the principal amount of Bonds called for redemption, together with accrued interest to the date fixed for redemption, without premium.

When Bonds are to be redeemed at the option of the City as set forth in this Section 4.01(b), the City shall give written notice to the Trustee of the exercise of such option at least

forty-five (45) days prior to the proposed redemption date, or such lesser number of days as the Trustee shall allow. Such notice shall state the series of the Bonds to be redeemed, the proposed redemption date, the principal amount of Bonds of such series to be redeemed and the maturity or maturities of the Bonds of such series to be redeemed.

Section 4.02. Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds of a maturity of a series, the Trustee shall select the Bonds of such maturity and series to be redeemed by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair. The Trustee shall promptly notify the City in writing of the Bonds of such maturity and series or portions thereof so selected for redemption.

If fewer than all of the Bonds of a series are called for redemption, the City will designate the maturities from which the Bonds of such series are to be redeemed. For so long as the Bonds are registered in book-entry form and DTC or a successor securities depository is the sole registered owner of such Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds to be redeemed shall be selected (i) by lot, in the case of the Series A Bonds and the Series B Bonds maturing on and after November 1, ____, and (ii) on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, in the case of the Series B Bonds maturing on or before November 1, ____; provided that, so long as the Bonds are held in book-entry form, the selection for redemption of the Bonds will be made in accordance with the operational arrangements of DTC then in effect, and if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, all Bonds will be selected for redemption in accordance with DTC procedures by lot; provided further that any such redemption must be performed such that all Bonds remaining outstanding will be in authorized denominations (as provided in Section 2.02).

In connection with any redemption of the Series B Bonds maturing on or before November 1, ____, including payments of scheduled mandatory sinking fund payments on the Series B Term Bonds, the Trustee shall direct DTC to make a pass-through distribution of principal to the owners of such Series B Bonds. A form of Pro Rata Pass-Through Distribution of Principal Notice will be provided to the Trustee that includes a table of factors reflecting the relevant scheduled redemption payments, based on the current schedule of mandatory sinking fund payments, which is subject to change upon certain optional redemptions, and DTC's currently applicable procedures, which are subject to change.

For purposes of calculating pro rata pass-through distributions of principal, "pro rata" means, for any amount of principal or interest to be paid, the application of a fraction to such amounts where (a) the numerator is equal to the amount due to the owners of the relevant Series B Bonds on a payment date and (b) the denominator is equal to the total original par amount of the relevant Series B Bonds.

If the Bonds are not registered in book-entry form and if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Series B Bonds maturing on or before November 1, ____ of such maturity and bearing such interest rate to be redeemed will be selected on a pro rata basis, and the particular Series B Bonds maturing on or after November 1, ____ of such maturity and bearing such interest rate to be redeemed will be selected by lot, provided that any such redemption must be performed such that all Bonds remaining outstanding will be in authorized denominations (as provided in Section 2.02).

Section 4.03. Notice of Redemption.

(a) Unless waived by any Owner of Bonds to be redeemed, notice of any such redemption shall be given by the Trustee on behalf and at the expense of the City by mailing a copy of a redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption to the Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Registration Books.

All notices of redemption shall be dated and shall state: (i) the series of the Bonds to be redeemed, (ii) the redemption date, (iii) the redemption price, (iv) if less than all Outstanding Bonds of a series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds of such series to be redeemed, (v) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (vi) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Trust Office of the Trustee.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) interest with respect to such Bonds or portions of Bonds shall cease to accrue and be payable. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same series and maturity in the amount of the unredeemed principal. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

(b) In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in subsection (a) above.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the rate of interest payable on each Bond being redeemed; (C) the maturity date of each Bond being redeemed; and (D) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) Each further notice of redemption shall be sent, at the time of the mailing of the official notice, by electronic, telecopy, registered, certified or overnight mail to all Securities Depositories and on the date notice of redemption is sent to the Owners to the Information Services.

(iii) Upon the payment of the redemption price to a Securities Depository of Bonds being redeemed, each check or other transfer of funds issued for such purpose to each Securities Depository shall bear the CUSIP number identifying, by issue and maturity, or otherwise identified to the satisfaction of the Securities Depository and the Trustee, the Bonds being redeemed with the proceeds of such check or other transfer.

(c) Notwithstanding the foregoing, in the case of any optional redemption of Bonds pursuant to Section 4.01(b), the notice of redemption may state that the redemption is

conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes of this Indenture.

Section 4.04. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the City shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the City, a new Bond or Bonds of authorized denominations, and of the same series and maturity, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice plus interest accrued thereon to the redemption date, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest.

All Bonds redeemed pursuant to the provisions of this Article IV shall be canceled upon surrender thereof and destroyed with a certificate of destruction delivered to the City upon its Request.

ARTICLE V

TIDELANDS REVENUES; FUNDS AND ACCOUNTS; INVESTMENTS

Section 5.01. Pledge of Tidelands Revenues. Subject to the provisions of Sections 10.01 and 10.02, the Bonds shall be secured by a pledge of all of the Tidelands Revenues on a parity with the pledge thereof under the City Pledge Agreement. In addition, the Bonds shall be secured by a pledge of all of the moneys in the Bond Fund (including the Bond Reserve Account therein), including all amounts derived from the investment of such moneys. Such pledge shall constitute a lien on the Tidelands Revenues and such other moneys for the payment of the principal of and interest and premium (if any) on the Bonds in accordance with the terms hereof. The Bonds shall be equally secured by a pledge, charge and lien upon the Tidelands Revenues, without priority for number or date, and any premiums upon the redemption of any thereof shall be and are secured by a pledge, charge and lien upon the Tidelands Revenues and such moneys, except as set forth in this Section 5.01. So long as any of the Bonds are Outstanding, the Tidelands Revenues and such moneys shall not be used for any other purpose, except as set forth in this Section 5.01 and Section 5.02, except that out of the Tidelands Revenues there may be apportioned such sums for such purposes as are expressly permitted by the City Pledge Agreement.

Notwithstanding the foregoing, at such time in any Fiscal Year as (a) the Debt Service due in such Fiscal Year has been paid in full, and (b) the amount in the Bond Reserve Account is at least equal to the then Bond Reserve Fund Requirement, any Available Tidelands Operating Revenue and Available Tidelands Oil Revenue on hand or thereafter received by the City in such Fiscal Year, and the then Available Tidelands Operating Fund Balance, shall be free of any pledge, lien or security interest under this Indenture and may, subject to the provisions of the City Pledge Agreement, be used by the City for any lawful purpose for which such revenues or fund balance may be used.

In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the City and the Owners from time to time of the Bonds and the covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

The Trustee shall establish and maintain the Bond Fund and, within the Bond Fund, the Interest Account, the Principal Account, the Bond Reserve Account and the Redemption Fund.

Section 5.02. Receipt, Deposit and Application of Tidelands Revenues. On each October 1, commencing October 1, 2018, the City shall transfer to the Trustee, from the Tidelands Revenues, an amount equal to the scheduled debt service due on the Bonds in the Fiscal Year that commences on such October 1, less any amount then held by the Trustee in the Bond Fund. The Trustee shall deposit any funds remitted to it by the City pursuant to the preceding sentence to the Bond Fund. In the event that, as of any date of transfer by the City, there are not sufficient Tidelands Revenues to make a transfer by the City referred to in the second preceding sentence and any transfer on such date required by the third sentence of the first paragraph of Section 2.02 of the City Pledge Agreement, the City shall use the available Tidelands Revenues

to make the transfers required by this Section 5.02 and by Section 2.02 of the City Pledge Agreement pro rata.

On each Interest Payment Date, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts the following amounts, in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of amounts in the Bond Fund sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

First: to the Interest Account, the aggregate amount of interest becoming due and payable on the next succeeding Interest Payment Date on all Bonds then Outstanding; provided, however, the transfer to be made in respect of the May 1, 2018 Interest Payment Date shall be in an amount equal to the debt service due on the Bonds on such date, less the amount then on deposit in the Interest Account;

Second: to the Principal Account, the aggregate amount of principal or sinking fund payment becoming due and payable on the Outstanding Bonds on the next succeeding Interest Payment Date, if any; and

Third: to the Bond Reserve Account, the amount needed to increase the amount then on deposit in the Bond Reserve Account to the Bond Reserve Requirement.

As long as all of the foregoing transfers are made at the time and in the manner set forth above any moneys remaining in the Bond Fund shall, as long as the Bonds are outstanding, be treated as surplus and applied for any lawful purpose of the City, including for the redemption of Bonds and shall be transferred to the City upon the Request of the City to the Trustee.

Section 5.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

Section 5.04. Application of Principal Account.

(a) All amounts in the Principal Account shall be used and withdrawn by the Trustee solely for the purposes of paying the principal of the Bonds when due and payable or purchased by the City.

(b) The Trustee shall establish and maintain within the Principal Account a separate subaccount, referred to herein as the "Sinking Account," for the Series A Term Bonds and the Series B Term Bonds (collectively, the "Term Bonds"). On or before the Business Day preceding each mandatory Sinking Account payment date for any Term Bonds, the Trustee shall transfer the amount deposited in the Principal Account pursuant to Section 5.02 for the purpose of making mandatory Sinking Account payments from the Principal Account to the Sinking Account.

With respect to the Sinking Account, on each mandatory Sinking Account payment date established for the Sinking Account, the Trustee shall apply the mandatory Sinking Account payment required on that date to the redemption (or payment at maturity, as the case may be) of the applicable Term Bonds, upon the notice and in the manner provided in Article IV; provided that, at any time prior to giving such notice of such redemption, the Trustee upon the Order of the City shall apply moneys in the Bond Fund to the purchase of Term Bonds made by

the City of such series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed by the City, except that the purchase price (excluding accrued interest) shall not exceed the Redemption Price that would be payable for such Bonds upon redemption by application of such mandatory Sinking Account payment. If, during the twelve-month period immediately preceding said mandatory Sinking Account payment date, the City has purchased Term Bonds with its own funds, or, during said period and prior to giving said notice of redemption, the City has deposited Term Bonds with the Trustee, or Term Bonds were at any time purchased by the City or redeemed by the Trustee from the Redemption Fund and allocable to said mandatory Sinking Account payment, such Bonds so purchased or deposited or redeemed shall be applied, to the extent of the full principal amount thereof, to reduce said mandatory Sinking Account payment.

All Bonds purchased or deposited pursuant to this subsection shall be canceled and destroyed by the Trustee and the Trustee shall provide evidence of such destruction to the City (upon its Request). All Term Bonds purchased from a Sinking Account or deposited by the City with the Trustee shall be allocated first to the next succeeding mandatory Sinking Account payment for the Bonds of such series, then pro-rata to the remaining mandatory Sinking Account payments required for such series and maturity of Bonds in proportion to the amount of such mandatory Sinking Account payments. All Bonds purchased or deposited pursuant to this subsection shall be canceled and destroyed by the Trustee and, upon the City's Request, the Trustee shall provide evidence of such destruction to the City.

Notwithstanding the foregoing, if some but not all of the Term Bonds of a series of the Bonds have been theretofore redeemed pursuant to Section 4.01(b) or purchased by the City, the total amount of all future mandatory Sinking Account payments set forth in Section 5.04(c) for such series of the Bonds shall be reduced by the aggregate principal amount of Term Bonds of such series so redeemed or purchased, allocated among such mandatory Sinking Account payments on a pro rata basis in integral multiples of \$5,000 as determined by the City (notice of which determination shall be given to the Trustee).

Any amounts remaining in the Sinking Account when all of the Term Bonds are no longer Outstanding shall be withdrawn by the Trustee and transferred to the Bond Fund.

(c) (i) Subject to the terms and conditions set forth in this Section 5.04(b) and in Section 4.01(a), the Series A Term Bonds shall be redeemed (or paid at maturity, as the case may be) by application of mandatory Sinking Account payments in the amounts and upon the dates hereby established for the Series A Term Bonds as follows:

Sinking Fund Account Redemption Date (November 1)	Sinking Account Installment
[to come]	

In lieu of such redemption, the Trustee may apply amounts in the Sinking Account to the purchase of the Series A Term Bonds as provided in Section 5.04(b).

(ii) Subject to the terms and conditions set forth in Section 5.04(b) and in Section 4.01(a), the Series B Term Bonds maturing on November 1, _____ (the “_____ Series B Term Bonds”) shall be redeemed (or paid at maturity, as the case may be) by application of mandatory Sinking Account payments in the amounts and upon the dates hereby established for the _____ Series B Term Bonds as follows:

Sinking Fund Account Redemption Date (November 1)	Sinking Account Installment
[to come]	

In lieu of such redemption, the Trustee may apply amounts in the Sinking Account to the purchase of the _____ Series B Term Bonds as provided in Section 5.04(b).

Subject to the terms and conditions set forth in Section 5.04(b) and in Section 4.01(a), the Series B Term Bonds maturing on November 1, _____ (the “_____ Series B Term Bonds”) shall be redeemed (or paid at maturity, as the case may be) by application of mandatory Sinking Account payments in the amounts and upon the dates hereby established for the _____ Series B Term Bonds as follows:

Sinking Fund Account Redemption Date (November 1)	Sinking Account Installment
[to come]	

In lieu of such redemption, the Trustee may apply amounts in the Sinking Account to the purchase of the _____ Series B Term Bonds as provided in Section 5.04(b).

Section 5.05. Application of Bond Reserve Account. All amounts in the Bond Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of (a) paying interest on or principal of the Bonds when due and payable to the extent that moneys deposited in the Interest Account or Principal Account, respectively, are not sufficient for such purpose, and (b) making the final payments of principal of and interest on the Bonds. On the date on which all Bonds shall be retired hereunder or provision made therefor pursuant to Article X, all moneys then on deposit in the Bond Reserve Account shall be withdrawn by the Trustee and paid to the City.

Amounts in the Bond Reserve Account shall be valued by the Trustee semi-annually on the Business Day prior to each May 1 and November 1. If, on any date of computation, moneys and securities on deposit in the Bond Reserve Account are less than the Bond Reserve Requirement, the City shall transfer to the Trustee, and the Trustee shall deposit in the Bond Reserve Fund, the amount necessary to increase the amount therein to the Bond Reserve Requirement, all as provided in Section 5.02. If, on any date of computation, moneys and

securities on deposit in the Bond Reserve Account are in excess of the Bond Reserve Requirement, the Trustee shall notify the City of the amount of such excess and shall, as directed by the City, withdraw all or a portion of such excess amount and transfer such amount to the Interest Account.

At any time, moneys on deposit in the Bond Reserve Account may be substituted by the City with a Qualified Reserve Fund Credit Instrument, in an amount equal to all or a portion of the then Bond Reserve Requirement, upon presentation to the Trustee of such Qualified Reserve Fund Credit Instrument. Upon such substitution, the Trustee shall transfer to the Interest Account from amounts on deposit in the Bond Reserve Account an amount equal to the amount available to be drawn on such Qualified Reserve Fund Credit Instrument.

Section 5.06. Application of Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, which the Trustee shall hold in trust. The City may at any time remit moneys to the Trustee for deposit by the Trustee into the Redemption Fund for the purposes of redeeming Bonds in accordance with the terms of Section 4.01(b). All amounts deposited in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds, in the manner and upon the terms and conditions specified in Section 4.01(b), at the next succeeding date of redemption for which notice has been given and at the redemption prices then applicable to redemptions pursuant to Section 4.01(b); provided that, at any time prior to giving such notice of redemption, the Trustee upon Order of the City shall apply such amounts to the purchase of Bonds made by the City at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed by the City, except that the purchase price (exclusive of accrued interest) may not exceed the par value of such Bonds.

Section 5.07. Investment of Moneys in Funds and Accounts. All moneys in any of the funds and accounts established pursuant to this Indenture shall, upon Request of the City provided at least two Business Days prior to the date of investment, be invested by the Trustee, but solely in Permitted Investments. In the absence of any such directions from the City, the Trustee shall invest any such moneys in the money market fund set forth in the letter of authorization and direction executed by the City and delivered to the Trustee. If no specific money market fund had been specified by the City, the Trustee shall make a request to the City for investment directions and, if no investment directions are provided within 10 days, such amount shall be held in cash, uninvested during such 10 day period and thereafter, until specific investment directions are provided by the City to the Trustee. All Permitted Investments shall be acquired subject to the limitations as to maturities hereinafter set forth in this Section 5.07 and such additional limitations or requirements consistent with the foregoing as may be established by Request of the City.

Moneys in the Bond Reserve Account shall be invested in (i) obligations which will by their terms mature on or before the date of the final maturity of the Bonds or five (5) years from the date of investment, whichever is earlier, or (ii) an investment agreement which permits withdrawals or deposits without penalty at such time as such moneys will be needed or in order to replenish the Bond Reserve Account. Moneys in the remaining funds and accounts shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required by the Trustee.

All interest, profits and other income received from the investment of moneys in any other fund or account established pursuant to this Indenture shall, when received, remain in such fund or account. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Permitted Investment equal to the amount of

accrued interest, if any, paid as part of the purchase price of such Permitted Investment shall be credited to the fund or account for the credit of which such Permitted Investment was acquired.

The Trustee may commingle any of the funds or accounts established pursuant to this Indenture into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Indenture. The Trustee or an affiliate may act as principal or agent in the making or disposing of any investment. The Trustee may sell, or present for redemption, any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Permitted Investment is credited, and, subject to the provisions of Section 9.03, the Trustee shall not be liable or responsible for any loss resulting from such investment.

The City acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the City the right to receive brokerage confirmations of security transactions as they occur, the City specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder. The Trustee may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or any affiliate.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

Section 5.08. Valuation and Disposition of Investments. All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the City for earnings derived from funds that have been invested.

The City covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value, and the Trustee shall be deemed to have complied with such valuation to the extent it utilized an automated pricing service through its trust accounting system.

ARTICLE VI

COVENANTS OF THE CITY

Section 6.01. Punctual Payment. The City shall punctually pay or cause to be paid the principal or Redemption Price and interest to become due on the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Tidelands Revenues and other assets pledged for such payment as provided in this Indenture.

Section 6.02. Extension of Payment of Bonds. The City shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 6.02 shall be deemed to limit the right of the City to issue bonds or incur indebtedness for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 6.03. Against Encumbrances. The City shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Tidelands Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture and, with respect to the Tidelands Revenues, the City Pledge Agreement and as permitted by Section 6.07(b) hereof. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

Section 6.04. Power to Issue Bonds and Make Pledge and Assignment. The City is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Tidelands Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the City in accordance with their terms, and the City and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Tidelands Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

Section 6.05. Records and Accounts. The City covenants that it shall keep proper books of record and accounts of the Tidelands Revenues, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Tidelands Revenues. Said books shall, upon reasonable request, be subject to the inspection of the Owners of not less than ten percent (10%) of the principal of the Outstanding Bonds or their representatives authorized in writing, during business hours and under reasonable circumstances.

Notwithstanding the foregoing, the Tidelands Revenues, and any amounts in the Tidelands Oil Revenue Fund and the Tidelands Operating Fund may be comingled for

investment purposes and may be invested in any lawful investment for such funds under applicable State law and the City's investment policy as in effect from time to time.

Section 6.06. Maintenance and Collection of Tidelands Revenues. (a) The City shall not repeal, amend or otherwise modify any document, agreement, ordinance, settlement or other contractual or legal right or claim it has to receive Available Tidelands Oil Revenue and Available Tidelands Operating Revenue that would materially adversely affect the amount, or delay the receipt by the City, of Available Tidelands Oil Revenue and Available Tidelands Operating Revenue.

(b) The City shall not amend or repeal any ordinance or resolution or any provision of its Municipal Code or Charter, which amendment or repeal would materially adversely affect the timing or amount of moneys deposited or permitted to be deposited in the Tideland Operating Fund or the Tideland Oil Revenue Fund.

(c) The Trustee shall promptly collect all amounts due to it from the City pursuant to the first paragraph of Section 5.02. Subject to the provisions of Article VIII, the Trustee shall enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of the obligations of the City under the City Pledge Agreement.

(d) So long as the Bonds are Outstanding, the City shall not amend, modify or terminate any of the terms of the City Pledge Agreement, or consent to any such amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent only if (a) in the opinion of Bond Counsel, such amendment, modification or termination will not materially adversely affect the interests of the Owners, or (b) the Trustee first obtains the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding to such amendment, modification or termination.

Section 6.07. Limitations on Future Obligations Secured by Tidelands Revenues.

(a) *No Obligations Superior to Bonds.* In order to protect further the availability of the Tidelands Revenues and the security for the Bonds, the City covenants that no additional bonds or other indebtedness will be issued or incurred on a senior basis to the Bonds that are payable out of the Tidelands Revenues in whole or in part. Furthermore, the City shall not, prior to the termination of this Indenture, create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Tidelands Revenues senior to the pledge and lien created under Section 5.01 hereof.

(b) *Parity Obligations.* The City further covenants that, it will not issue or incur any obligation secured by a pledge of Tidelands Revenues on a parity with its pledge of Tidelands Revenues under Section 5.01 unless:

(i) there are no existing Events of Default, as defined in Section 7.01 and as such term is used in the City Pledge Agreement; and

(ii) average annual aggregate Available Tidelands Oil Revenue and Available Tidelands Operating Revenue, based on actual aggregate of Available Tidelands Oil Revenue and Available Tidelands Operating Revenue for the two Fiscal Years immediately preceding the issuance of such obligations, exceeds two and one-half (2-1/2) times the sum of (A) the then Maximum Annual Debt Service, and (B) the maximum annual payments to be made in any Bond Year from the aggregate of

Available Tidelands Oil Revenue and Available Tidelands Operating Revenue with respect to all parity obligations issued or to be issued by the City.

(c) *Subordinate Obligations.* Additional obligations may be issued or incurred by the City payable from Tidelands Revenues on a basis subordinate to the Bonds and the obligations of the City under the City Pledge Agreement.

Section 6.08. Compliance with Indenture, Contracts, Laws and Regulations. The City shall faithfully observe and perform all the covenants, conditions and requirements of this Indenture and the City Pledge Agreement, and shall not issue or enter into any obligations secured by or payable from Tidelands Revenues in any manner other than in accordance with this Indenture and the City Pledge Agreement and shall not take any action that would permit any default to occur hereunder or under the City Pledge Agreement, or do or permit to be done, anything that might in any way weaken, diminish or impair the security intended to be given pursuant to this Indenture and the City Pledge Agreement. Subject to the limitations and consistent with the covenants, conditions and requirements contained in this Indenture and the City Pledge Agreement, the City shall comply with the terms, covenants and provisions, express or implied, of all contracts concerning or affecting the application of the Tidelands Revenues. The City shall comply promptly, fully and faithfully with and abide by any statute, law, ordinance, order, rule or regulation, judgment, decree, direction or requirement now in force or hereafter enacted, adopted, prescribed, imposed or entered by any competent governmental authority or agency applicable to or affecting the Tidelands Revenues.

Section 6.09. Prosecution and Defense of Suits. The City shall defend against every suit, action or proceeding at any time brought against the City that materially adversely affects, or in the judgment of the City could materially adversely affect, the receipt, application or disbursement of any of the Tidelands Revenues as provided in this Indenture and the City Pledge Agreement, or involving the rights of the Trustee under this Indenture, or the rights of the Trustee or the Authority under the City Pledge Agreement; provided, that the Trustee at its election may appear in and defend any such suit, action or proceeding. The City shall, to the extent permitted by law, indemnify and hold harmless the Trustee and the Authority against any and all liability claimed or asserted by any person arising out of such receipt, application or disbursement.

Section 6.10. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and the City Pledge Agreement, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

Section 6.11. Waiver of Laws. The City shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the City to the extent permitted by law.

Section 6.12. Maintenance of Powers. The City shall at all times maintain the powers, functions, duties and obligations now reposed in it pursuant to its Charter and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the receipt and disbursement of the Tidelands Revenues as contemplated by Section 5.02 or the City Pledge Agreement, or the observance of any of the covenants herein or therein contained.

Section 6.13. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations under the Continuing Disclosure Certificate, including seeking mandate or specific performance by court order.

Section 6.14. Private Activity Bond Limitation. The City shall assure that the proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt Bonds to satisfy the private business tests of Section 141(b) of the Code.

Section 6.15. Private Loan Financing Limitation. The City shall assure that the proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt Bonds to satisfy the private loan financing test of Section 141(c) of the Code.

Section 6.16. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Tax-Exempt Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

Section 6.17. Rebate Requirement. The City shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, as applicable to the Tax-Exempt Bonds.

Section 6.18. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Tax-Exempt Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Tax-Exempt Bonds, to be “arbitrage bonds” within the meaning of Section 148 of the Code.

Section 6.19. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest on the Tax-Exempt Bonds from the gross income of the Owners of the Tax-Exempt Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

Section 7.01. Events of Default. The following events shall be Events of Default:

(a) default in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise, in the amounts and at the times provided therefor;

(b) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) default by the City in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained (other than as referred to in subsections (a) or (b) of this Section 7.01), if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the City by the Trustee, or to the City and the Trustee by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that if in the reasonable opinion of the City the default stated in the notice can be corrected, but not within such sixty (60) day period, such default shall not constitute an Event of Default hereunder if the City shall commence to cure such default within such sixty (60) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time;

(d) a filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the City under any applicable bankruptcy act or under any similar act which is now in effect or may be hereafter enacted unless such petition or proceeding shall have been dismissed and such dismissal shall be final and not subject to appeal; or

(e) the occurrence of an Event of Default under and as such term is defined in the City Pledge Agreement.

Section 7.02. Remedies Upon Event of Default. Upon the occurrence and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Owners of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding and receipt of indemnity to its satisfaction, and payment of its fees and expenses, including the fees and expenses of its counsel, shall in its own name and as the Trustee of an express trust:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners under, and require the City to carry out any agreements with or for the benefit of the Owners of Bonds and to perform its or their duties under this Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of this Indenture;

(b) bring suit upon the Bonds;

(c) by action or suit in equity require the City to account as if it were the trustee of an express trust for the Owners of Bonds; or

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of Bonds hereunder.

Upon the occurrence of an Event of Default, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Tidelands Revenues, *ex parte*, and without notice, and the City consents to the appointment of such receiver upon the occurrence of an Event of Default. In the case of any receivership, insolvency, bankruptcy, or other judicial proceedings affecting the City, the Trustee shall be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have the claims of the Trustee and the Owners allowed in such proceedings, without prejudice, however, to the right of any Owner to file a claim on his or her own behalf; provided, the Trustee shall be entitled to compensation and reimbursement for the reasonable fees and expenses of its counsel and indemnity for its reasonable expenses and liability from the City or the Owners, as appropriate.

Section 7.03. Application of Tidelands Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Tidelands Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses reasonably necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid), in accordance with the provisions of this Indenture as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

Section 7.04. Trustee to Represent Bondowners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful

attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, this Indenture, the Law and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondowners, the Trustee in its discretion may and shall upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding (or, if more than one such request is received, the written request executed by the Owners of the greatest percentage of Bonds then Outstanding in excess of twenty-five percent (25%)), and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under this Indenture, the Law or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Tidelands Revenues and other assets pledged under this Indenture, pending such proceedings. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

Section 7.05. Bondowners' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondowners not parties to such direction or would expose the Trustee to liability for which it has not been indemnified to its satisfaction.

Section 7.06. Limitation on Bondowners' Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Law or any other applicable law with respect to such Bond, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of the Bonds then Outstanding (or, if more than one such request is received, the written request executed by the Owners of the greatest percentage of Bonds then Outstanding in excess of twenty-five percent (25%)) shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce

any right under this Indenture, the Law or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 7.07. Absolute Obligation of City. Nothing in Section 7.06 or in any other provision of this Indenture, or in the Bonds, contained shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Tidelands Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.08. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Bondowners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bondowners, then in every such case the City, the Trustee and the Bondowners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the City, the Trustee and the Bondowners shall continue as though no such proceedings had been taken.

Section 7.09. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.10. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Appointment of Trustee. U.S. Bank National Association, a national banking association organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the City for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture.

The City agrees that it will maintain a Trustee having a corporate trust office in the State, with (or if a member of a bank holding company system, its parent holding company shall have) a combined capital and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or State authority, so long as any Bonds are Outstanding. If such national banking association, bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section 8.01 the combined capital and surplus of such national banking association, bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee shall at all times be the same entity as the entity serving as the trustee under the City Pledge Agreement.

The Trustee is hereby authorized to pay the principal of and interest on the Bonds when duly presented for payment at maturity, or on redemption or purchase prior to maturity, and to cancel all Bonds upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Bonds paid and discharged.

Section 8.02. Acceptance of Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default hereunder has occurred (which has not been cured or waived), the Trustee may exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill and diligence in their exercise, as a prudent person would use in the conduct of its own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder. The Trustee shall not be responsible for any misconduct or negligence on the part of any agent, receiver or attorney appointed with due care by it hereunder. The Trustee may conclusively rely upon an opinion of counsel as full and complete protection for any action taken or suffered by it hereunder.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby and the Trustee shall not be bound to ascertain or inquire as to the observance or

performance of any covenants, conditions or agreements on the part of the City hereunder.

(d) Except as provided in Section 3.01, the Trustee shall not be accountable for the use of any proceeds of sale of the Bonds delivered hereunder. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee; may acquire and dispose of other bonds or evidences of indebtedness of the City with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority of the Bonds.

(e) The Trustee shall be protected in acting, in good faith and without negligence, upon any notice, request, consent, certificate, order, affidavit, letter, telegram, requisition, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith and without negligence pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at his request unless the ownership of such Bond by such person shall be reflected on the Bond Registration Books.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a Certificate of the City as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default hereunder of which the Trustee has been given notice or is deemed to have notice, as provided in Section 8.02(h) hereof, shall also be at liberty to accept a Certificate of the City to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees and agents.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, except failure by the City to make any of the payments to the Trustee required to be made by the City pursuant hereto or failure by the City to file with the Trustee any document required by this Indenture to be so filed subsequent to the issuance of the Bonds, unless the Trustee shall be specifically notified in writing of such default by the City, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Trust Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder except as aforesaid.

(i) Upon reasonable prior written notice and at reasonable times the Trustee and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right (but not any duty) fully to inspect all books, papers and records of the City pertaining to the Bonds, and to make copies of any of such books, papers and records such as may be desired but which is not privileged by statute or by law.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises hereof.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable for the purpose of establishing the right of the City to the execution of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking any action under Article VII hereof or this Article VIII at the request or direction of the Owners, the Trustee may require payment or reimbursement of its fees and expenses, including fees and expenses of counsel and receipt of an indemnity bond satisfactory to it from the Owners to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct in connection with any action so taken. Before being required to take any action, the Trustee may require an opinion of counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

(n) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be provided that the Trustee was negligent in ascertaining the pertinent facts.

Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document.

(o) The Trustee shall have no responsibility for or liability in connection with assuring that all of the procedures or conditions to closing set forth in the contract for purchase of the Bonds have been met on the closing date or, that all documents required to be delivered on the Closing Date to the parties are actually delivered, except its own responsibility to receive the proceeds of the sale, deliver the Bonds or other certificates expressly required to be delivered by it and its counsel.

The Trustee may assume that parties to the contract for purchase of the Bonds have waived their rights to receive documents or to require the performance of procedures if the parties to whom such documents are to be delivered or for whom such procedures are to be performed do not require delivery or performance on or prior to the Closing Date.

(p) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(q) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay (“unavoidable delay”) in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar even and/or occurrences beyond the control of the Trustee.

(r) Whenever in the administration of the trusts imposed upon it by this Trust Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

(s) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the City and all Authorized

Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(t) The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(u) The Trustee may consult with counsel, who may be counsel of or to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Section 8.03. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Upon the occurrence of an Event of Default hereunder, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it respectively.

Section 8.04. Notice to Owners of Default. If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 8.02(h) hereof, then the Trustee shall immediately give written notice thereof, by first-class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; *provided, however,* that unless such Event of Default consists of the failure by the City to make any payment when due, the Trustee shall, within thirty (30) days of the Trustee's knowledge thereof, give such notice to the Owners unless the Trustee in good faith determines that it is in the best interests of the Owners not to give such notice.

Section 8.05. Intervention by Trustee. In any judicial proceeding to which the City is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the Owners of any of the Bonds, the Trustee may intervene on behalf of such Owners, and subject to Section 8.02(l) hereof, shall do so if requested in writing by the Owners of at least twenty-five percent (25%) of the Bonds.

Section 8.06. Removal of Trustee. The Owners of a majority of the Bonds may at any time, and the City may, at any time, remove the Trustee initially appointed, and any successor thereto, by an instrument or concurrent instruments in writing delivered to the Trustee, whereupon the City shall appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company meeting the requirements set forth in Section 8.01.

Section 8.07. Resignation by Trustee. The Trustee and any successor Trustee may at any time give written notice of its intention to resign as Trustee hereunder, such notice to be given to the City by first class mail. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. Upon such acceptance, the City shall cause notice thereof to be given by first class mail, postage prepaid, to the Owners at their respective addresses set forth on the Bond Registration Books.

Section 8.08. Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 8.06 or 8.07, respectively, and if the City shall promptly appoint a successor Trustee. In the event the City shall for any reason whatsoever fail to appoint a successor Trustee within sixty (60) days following the delivery to the Trustee of the instrument described in Section 8.06 or within sixty (60) days following the receipt of notice by the City pursuant to Section 8.07, the Trustee may, at the expense of the City, apply to a court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 8.01 hereof. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the City purporting to appoint a successor Trustee following the expiration of such ninety-day period.

Within sixty (60) days following the appointment of a successor Trustee hereunder, the former Trustee shall deliver to such successor Trustee (a) all funds and amounts held by the former Trustee hereunder, and (b) any and all information and documentation as may be required or reasonably requested by the City or such successor Trustee in connection with the transfer to such successor Trustee of all the duties and functions of the Trustee hereunder. The City shall pay the reasonable costs and expenses of such former Trustee incurred in connection with such transfer.

Section 8.09. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 8.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 8.10. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor Trustee and also to the City an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Request of the City, or of the Trustee's successor, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

Section 8.11. Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 8.11 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the City be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 8.12. Indemnification; Limited Liability of Trustee. The City covenants and agrees to indemnify and hold the Trustee and its officers, directors, agents and employees, harmless against any loss, expense, including legal fees and expenses, and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the reasonable costs and expenses of defending against any claim of liability or arising out of any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure utilized in connection with the sale of the Bonds, but excluding any and all losses, expenses and liabilities which are due to the negligence or misconduct of the Trustee, its officers, directors, agents or employees. No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder if repayment of such funds or adequate indemnity against such liability or risk is not assured to it. The Trustee shall not be liable for any action taken or omitted to be taken by it in accordance with the direction of the Owners of at least a majority of the principal amount of the Bonds relating to the time, method and place of exercising any trust or power or conducting any proceeding or remedy available to the Trustee under this Indenture of for any special, indirect, consequential or punitive damages. The obligations of the City hereunder shall survive the resignation or removal of the Trustee, or the discharge of this Indenture.

Section 8.13. Trustee Reporting Obligations, and City Assistance. (a) The Trustee hereby agrees to and shall: (i) not later than thirty (30) days prior to each Filing Date request that the

City provide the applicable information to complete the Annual Report for the related Reporting Period; and (ii) on or before each Filing Date, the Trustee shall file with California Debt and Investment Advisory Commission (“CDIAC”) the Annual Report. The Annual Report shall be filed with CDIAC in such form or forms as directed by CDIAC (including, but not limited to, via an electronic online form as CDIAC may provide from time to time).

(b) The City hereby agrees to: (i) provide the Trustee with the applicable information in a timely manner in order for the Trustee to complete the Annual Report and submit the Annual Report to CDIAC; and (b) provide any other cooperation to the Trustee, upon its written request, in the completion of the Annual Report and the submission of the Annual Report with CDIAC.

(c) Each “Annual Report” shall contain the following information:

(i) Bonds authorized during the Reporting Period, which shall include:

(A) Principal amount of any series of the Bonds authorized at the beginning of the Reporting Period.

(B) Principal amount of any series of the Bonds authorized and issued during the Reporting Period.

(C) Principal amount of any series of the Bonds authorized but not issued at the end of the Reporting Period.

(D) Principal amount of authorization to issue any series of the Bonds that has lapsed during the Reporting Period.

(ii) Any Bonds outstanding during the Reporting Period, which shall include the following:

(A) Principal balance of each series of the Bonds outstanding at the beginning of the Reporting Period.

(B) Principal of each series of the Bonds paid during the Reporting Period.

(C) Principal balance of each series of the Bonds outstanding at the end of the Reporting Period.

(iii) The use of the proceeds of the Bonds during the Reporting Period, which shall include:

(A) Proceeds of each series of the Bonds available at the beginning of the Reporting Period.

(B) Proceeds of each series of the Bonds spent during the Reporting Period and the purposes for which such proceeds were spent.

(C) Proceeds of each series of the Bonds remaining at the end of the Reporting Period.

(iv) And such other information as may be required by CDIAC to be included in the Annual Report.

(d) The City hereby agree to review the information in each Annual Report prior to the Trustee submitting the respective Annual Report to CDIAC.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 9.01. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the City and the Trustee may execute when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have been filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section 9.01. No such modification or amendment shall (i) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, provided in this Indenture for the payment of any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Tidelands Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture, or deprive the Owners of the Bonds of the lien created by this Indenture on such Tidelands Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bondowners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the City and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture to the Bondowners at the addresses shown on the Bond Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) This Indenture and the rights and obligations of the City, of the Trustee and of the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the City and the Trustee may execute without the consent of any Bondowners, but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the City, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Owners of the Bonds;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the City may deem necessary or desirable and not inconsistent with this Indenture, and which shall not materially adversely affect the interests of the Owners of the Bonds;

(iii) to make such additions, deletions or modifications as may be necessary to assure exclusion from gross income for purposes of federal income taxation of interest on the Bonds.

(c) No such Supplemental Indenture shall modify any of the rights or obligations of the Trustee without its prior written consent thereto; nor shall the Trustee be required to consent to any such Supplemental Indenture which affects its rights or obligations hereunder.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article IX or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and complies with the terms hereof.

Section 9.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the City, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after any Supplemental Indenture becomes effective pursuant to this Article X may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the City and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such execution and presentation of his Bond for the purpose at the Trust Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the City and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the City and authenticated by the Trustee, and upon demand of the Owners of any Bonds then Outstanding shall be exchanged at the Trust Office of the Trustee, without cost to any Bondowner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts of the same maturity.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article IX shall not prevent any Bondowner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. If the City shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee or another fiduciary, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all or the applicable portion of Outstanding Bonds, including all principal, interest and redemption premiums, or;

(c) by irrevocably depositing with the Trustee or another fiduciary, in trust, Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds or the applicable portion of (including all principal, interest and redemption premiums) at or before maturity;

and, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Tidelands Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the City under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (a) the covenants of the City hereunder in Sections 6.14 through and including 6.19, (b) the obligation of the Trustee to transfer and exchange Bonds hereunder, (c) the obligations of the City under Section 8.12 hereof, and (d) the obligation of the City to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. In the event the City shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the City all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the City has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due to the Trustee pursuant to Section 8.03 shall be paid over to the City.

Section 10.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.01) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or

provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the City in respect of such Bond shall cease, terminate and be completely discharged, except only that thereafter the Owner thereof shall be entitled to payment of the principal of and interest to the maturity or redemption date on such Bond by the City, and the City shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for such payment, provided further, however, that the provisions of Section 10.04 shall apply in all events.

The City may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered which the City may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or Defeasance Obligations in the necessary amount to pay or redeem any Bonds, the money or Defeasance Obligations so to be deposited or held may include money or Defeasance Obligations held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(b) Defeasance Obligations the principal of and interest on which when due will provide money sufficient, in the opinion of Bond Counsel or an Independent Accountant, to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Request of the City) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds.

Section 10.04. Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the principal or redemption premium of, or interest on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in this Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the City free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the City as aforesaid, the Trustee, as the case may be, may (at the cost of the City) first mail a notice, in such form as may be deemed appropriate by the Trustee, to the Owners of the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the City of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Liability of City Limited to Tidelands Revenues. Notwithstanding anything contained in this Indenture or in the Bonds, the City shall not be required to advance any moneys derived from any source other than the Tidelands Revenues and other assets pledged under this Indenture for any of the purposes mentioned in this Indenture, whether for the payment of the principal or Redemption Price of or interest on the Bonds or for any other purpose of this Indenture.

Section 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03. Limitation of Rights to Parties and Bondowners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the City, the Trustee and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the City, the Trustee and the Owners of the Bonds.

Section 11.04. Waiver of Notice. Whenever the giving of notice by mail or otherwise is required in this Indenture, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the City of any Bonds, the Trustee shall destroy such Bonds and deliver a certificate of such destruction to the City.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds 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 Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.07. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by first class, registered or certified mail, postage prepaid, or sent by confirmed telegram, telecopy or telex, to the address (or such other address as may have been filed with the Trustee in writing) set forth below:

To the City: City of Long Beach
333 West Ocean Boulevard, 6th Floor
Long Beach, CA 90802
Attention: City Treasurer
Phone: (562) 570-6845
Fax: (562) 570-5836

To the Trustee: U.S. Bank National Association
633 W. Fifth Street, 24th Floor
Los Angeles, CA 90071
Attention: Corporate Trust Services
Reference: _____
Phone: (____) ____-____
Fax: (____) ____-____

Section 11.08. Evidence of Rights of Bondowners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bondowners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondowners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the City if made in the manner provided in this Section 11.08.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of registered Bonds shall be proved by the Bond Registration Books held by the Trustee.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the City in accordance therewith or reliance thereon.

Section 11.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the City or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the City or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 11.09 if the pledgee shall establish to the

satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the City or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the City shall specify in a Certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such Certificate.

Section 11.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it without liability for interest thereon for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

Section 11.11. Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the industry, to the extent practicable, and with due regard for the protection of the security of the Bonds and the rights of every holder thereof.

Section 11.12. Article and Section Headings and References. 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 Indenture.

All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture 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 11.13. Waiver of Personal Liability. No member of the City Council, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member of the City Council, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.14. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the City and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.15. Governing Law. This Indenture shall be construed in accordance with and governed by the laws of the State, applicable to contracts made and performed in the State.

IN WITNESS WHEREOF, the CITY OF LONG BEACH, CALIFORNIA, has caused this Indenture to be signed in its name by the City Treasurer and attested by the City Clerk, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by one of its authorized officers, all as of the day and year first above written.

CITY OF LONG BEACH, CALIFORNIA

By: _____
City Treasurer

Attest:

By: _____
City Clerk

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Vice President

12001.33:J14759

EXHIBIT A
FORM OF BOND

United States of America
State of California
County of Los Angeles

CITY OF LONG BEACH
_____ Tidelands Revenue Bonds, Series 2017__
(_____)

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	November 1, ____	October 1, ____	____ _

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The CITY OF LONG BEACH, CALIFORNIA, a municipal corporation and chartered city duly organized and existing under its charter and the laws of the State of California (the "City"), for value received, hereby promises to pay to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Amount stated above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the May 1 or November 1 (each an "Interest Payment Date") next preceding the date of authentication hereof, unless said date of authentication is an Interest Payment Date, in which event such interest is payable from such date of authentication, and unless said date of authentication is prior to April 15, 2018, in which event such interest is payable from the Dated Date stated above; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the date to which interest has previously been paid or made available for payment on this Bond in full at the Interest Rate per annum stated above, payable semiannually on each Interest Payment Date, commencing May 1, 2018. The principal amount of this Bond is payable at the principal corporate trust office of U.S. Bank National Association, as trustee (the "Trustee"), in Los Angeles, California, or at such office as the Trustee may designate, upon presentation and surrender of this Bond to the Trustee. Payment of the interest on this Bond will be made to the person whose name appears on the bond registration books of the Trustee as the Owner thereof as of the fifteenth day of the month immediately preceding an Interest Payment Date whether or not said day is a business day (the "Record Date"), such interest to be paid by check mailed on the Interest Payment Date to the Owner or, at the option of any Owner of at least \$1,000,000 aggregate principal amount of Bonds and upon written notice received by the Trustee prior to the Record Date, by wire transfer, at the Owner's address as it appears on such bond registration books or to such account as shall have been identified by the Owner in the notice requesting payment by wire transfer.

Capitalized terms used herein and not otherwise defined are used with the meanings ascribed to them in the Indenture (as hereinafter defined).

This Bond is one of a series of Bonds of various maturities designated as "City of Long Beach _____ Tidelands Revenue Bonds, Series 2017__ (_____)" (the "Bonds"), issued pursuant to the provisions of Division 1 of Chapter 3.52 of Title 3 of the Long Beach Municipal Code in the aggregate principal amount of \$_____, all of like tenor (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), issued under and pursuant to an Indenture of Trust (the "Indenture") dated as of October 1, 2017, by and between the City and the Trustee, and approved by the City by Resolution No. RES-17-____, adopted by the City Council of the City on October 3, 2017. A copy of the Indenture is on file at the office of the Trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Law is made for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tidelands Revenues, as that term is defined in the Indenture, and the rights of the Owners of the Bonds. All the terms of the Indenture and the Law are hereby incorporated herein and constitute a contract between the City and the Owners from time to time of this Bond, and to all the provisions thereof the Owner of this Bond, by his acceptance hereof, consents and agrees. The Registered Owner and subsequent Owner hereof shall have recourse to all of the provisions of the Law and the Indenture and shall be bound by all of the terms and conditions thereof.

The Bonds are being issued to finance improvements to the _____ Project. The Bonds are special obligations of the City and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, from the Tidelands Revenues. All of the Bonds are equally secured by a pledge of, and charge and lien upon, the Tidelands Revenues. In addition to the Bonds, the Indenture provides for the issuance of the Series ____ Bonds, which are secured under the Indenture on a parity with the Bonds, and the pledge of the Tidelands Revenues thereunder is on a parity with certain obligations of the City under the City Pledge Agreement. Additional obligations of the City payable from the Tidelands Revenues may be issued on a parity with the Bonds and the City's obligations under the City Pledge Agreement, but only subject to the conditions and limitations contained in the Indenture.

The principal or redemption price of and interest on the Bonds are payable solely from the Tidelands Revenues, and the City is not obligated to pay the Bonds except from the Tidelands Revenues. The general fund of the City is not liable, and the full faith and credit or taxing power of the City is not pledged, for the payment of the principal or redemption price of and interest on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the City or any of its income or receipts, except the Tidelands Revenues.

The Bonds are subject to redemption prior to their respective stated maturities at the times, in the manner, with the effect and subject to the terms and conditions set forth in the Indenture.

As provided in the Indenture, notice of redemption shall be given by first class mail not less than thirty days prior to the redemption date to the respective registered Owners of the Bonds designated for redemption at their addresses appearing on the bond registration books, but no defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption. Notices of optional redemption may state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption shall not occur if, by no later than the scheduled

redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Trustee.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon the books of the City kept for that purpose at the office of the Trustee, by the Owner hereof in person, or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner or his attorney duly authorized in writing, and thereupon a new Bond or Bonds, without coupons, and in the same aggregate principal amount and of the same maturity, shall be issued to the transferee in exchange herefor, as provided in the Indenture, and upon the payment of charges, if any, including, after the first exchange, the cost of preparing new Bonds therein prescribed.

The rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the Owners of which is required to effect any such modification or amendment, all as more fully set forth in the Indenture.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution or laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of Long Beach, California, has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of its City Treasurer and the manual or facsimile signature of its City Clerk all as of the Bond Date stated above.

CITY OF LONG BEACH, CALIFORNIA

By: _____
City Treasurer

ATTEST:

By: _____
City Clerk

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture, which has been authenticated and registered on _____.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Officer

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto

whose address and social security or other tax identifying number is

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s)

attorney, to transfer the same on the Bond registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

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

EXHIBIT B

DESCRIPTION OF THE AQUARIUM OF THE PACIFIC PROJECT

All or a portion of the costs of the Aquarium's Pacific Visions project, consisting of an approximately 29,000 square foot, two story structure, adjacent to, or to be combined with, the Aquarium's facility as it existed on the Closing Date, including costs of the shell and core of the building and of structural steel, metal decking, concrete decking and a specialty glass cladding system (glass facade).

EXHIBIT C

DESCRIPTION OF THE QUEEN MARY PROJECT

Any of the following improvements to the vessel known as the “Queen Mary”:

Item	Notes	To be Reimbursed by Series B Bond Proceeds	To be Funded by Series B Bond Proceeds
Marine Survey Priority Projects	This category includes numerous critical items taken directly from the Wyn Davies Marine Report. Includes Structural review of girders in the bottom tank, repairs to outer hull around propeller, watertight bulk head doors, added structural reinforcement as noted, etc.	\$ 81,435	\$1,767,851
Top of House Roofing / Deck Repairs	Teak decks are lifting and waterproofing is compromised. Trip and leak hazards.	1,006,807	74,736
Exhibit Hall Structural Floor Repairs	Current Floor & infrastructure is rusted beyond repair.	-	644,993
Sewer System Repairs	Current sytem leaks excessively throughout ship.	158,083	712,846
Fire Sprinkler Correction List	City issued 1000 item list, currently half done. Begin after Dark Harbor	234,598	568,437
Bilge System Repair	New pumps, floats, and pickups. Control Panels There is no current working bilge system.	-	150,000
Ghosts & Legends Repairs	G & L shut down in April due to catwalk structural issues. Pending Demo and structural reinforcement of Boiler rooms	1,860,634	212,097
Replace Side Shell / Bridge Wings	The side shell at Promenade level is rusted main structural points are compromised.	15,414	2,870,474
Structural Repairs at Exhibit Hall and BR's 3 & 4	This project consists of removing the Exhibit hall flooring from structural posts welded to hull up to carpet, as well as compromised 8 foot false walls on three sides. Also includes misc metals boiler rooms 3 & 4. Entire area to be coated prepped and treated with recommended rust inhibiting coating. This project is noted in the Marine report as well.	22,352	149,748
Domestic Water Line Repairs	In wall domestic water lines are leaking and creating health hazards.	-	282,262
Exterior - Prime & Paint at exterior hull with Rust Repair	Existing paint has flaked, chipped and peeled exposing metal to the elements, creating multiple rusted areas compromising the structural integrity.	472,395	1,627,500
HVAC Repairs	Pending P2S Space Review (Begins 10-10-16) To include extensive duct cleaning and refurbishment due to duct lining deterioration.	51,747	413,436
Demo Rusted Lifeboats	Non original lifeboats. The main keel of most of these is rusted completely through and area safety hazard. Along with Side Shell Replacement	-	440,000
Exterior - Prime & Paint at Top of House with Rust Repair	Existing paint has flaked, chipped and peeled exposing metal to the elements, creating multiple rusted areas compromising the structural integrity.	330,750	429,249
TOH Hand Fence and Railing	Currently, the funnel ladders are open and accessible to public. New fence will create a barrier, deterring general public from climbing the entire height of the service ladder attached to each funnel.	-	7,000
Landside Utility Lines, shore to ship hoses	Water, Sewer, and fire protection lines are showing signs of wear and in need of replacement	-	170,000
Repair Leaking Side Tanks at Exhibit Hall	Side tanks on both sides of ship are leaking onto and under lower exhibit floor.	-	46,131
Health Dept. Upgrades	MUA in R Deck and Promenade Kitchens, Trash Chute in Sir Winstons, etc	-	237,331
Propeller Box Renovation/Repairs	As noted in City monthly report, anodes are gone, some there is no electrolytic protection to the outer hull. In addition, at the exterior waterline, the finish has peeled from the box exposing metal and rust, giving the potential for leakage.	-	78,000
Electrical System Repairs, Code upgrades	GFA's on entire ship are inoperable.	-	100,000
Misc Safety Issues	Hand rail repair, trip hazard barriers, employee entrance repairs at finance. etc.	-	100,000
Replace Lifeboats with Fiberglass Molds	Due to removal of compromised lifeboats	-	400,000
Storm Drain System Repairs	Multiple drains are plugged, covered, and abandoned, creating in wall leaks and pooling.	-	200,000
Relocate Sewage and Mechanical Room	Sewage holding tanks are compromised and not readily accessible per current H & S guidelines	-	255,000
Replacement of main cabled lighting and hoisting system along top of ship	Current system is inoperable due to unsafe accessibility. New system will incorporate all OSHA standards into operation and maintenance.	-	100,000
Condensate pump system / line Repairs	Constant leaks from original condensate lines and collection systems throughout create safety as well as health issues.	19,971	193,675
Expansion Joints	Three expansion joints, all three are rusted out and falling off.	80,855	634,195

EXHIBIT D

FORM OF REQUISITION FROM THE AQUARIUM PROJECT FUND

**CITY OF LONG BEACH
TIDELANDS REVENUE BONDS, SERIES 2017A**

**CERTIFICATE REQUESTING DISBURSEMENT
FROM AQUARIUM PROJECT FUND**

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am the _____ of the Aquarium of the Pacific, a California nonprofit public benefit corporation (the "Aquarium") and, as such, am familiar with the facts herein certified and am authorized to certify the same.

(ii) I am an "Aquarium Representative," as such term is defined in that certain Indenture of Trust, dated as of October 1, 2017 (the "Indenture"), by and between the City of Long Beach, California (the "City") and U.S. Bank National Association, as trustee (the "Trustee").

(iii) Pursuant to Section 3.03 of the Indenture, the Aquarium hereby requests and authorizes the Trustee to disburse from the Aquarium Project Fund established under the Indenture to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of a cost of the Aquarium Project (as such term is defined in the Indenture) as described on attached Schedule A. Payments shall be made by check or wire transfer in accordance with the payment instructions set forth on Schedule A (or the invoice attached thereto) and the Trustee shall rely on such payment instructions as though given by the Aquarium with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein or the authority under which they were given.

(iv) No portion of the amount herein requested to be disbursed was set forth in any Certificate previously filed requesting disbursement.

(v) This Certificate is in accordance with the provisions of Section ____ of the Loan Agreement, made as of _____, 2017, by and between the City and the Aquarium.

Dated: _____

AQUARIUM OF THE PACIFIC

By: _____

Its: _____

The foregoing Requisition is hereby consented to

By: CITY OF LONG BEACH, CALIFORNIA

By: _____
Authorized Representative of the City

SCHEDULE A

Payee Name and Address

Purpose of Obligation

Amount