

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE ISSUANCE AND SALE, FROM TIME TO TIME, OF CITY OF LONG BEACH, CALIFORNIA SUBORDINATE GAS UTILITY REVENUE COMMERCIAL PAPER NOTES, SERIES A AND SERIES B (TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000; APPROVING A MASTER SUBORDINATE TRUST INDENTURE; A FIRST SUPPLEMENTAL SUBORDINATE TRUST INDENTURE, AN ISSUING AND PAYING AGENT AGREEMENT, A REIMBURSEMENT AGREEMENT, A BANK NOTE, A COMMERCIAL PAPER DEALER AGREEMENT, AN OFFERING MEMORANDUM AND RELATED DOCUMENTS, AUTHORIZING AND DIRECTING EXECUTION THEREOF AND AUTHORIZING ACTIONS RELATED THERETO.

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

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

WHEREAS, pursuant to Section 1725(a) of Article XVII of said charter, the City is authorized to issue short-term revenue certificates for purposes of the City; and

////

Robert E. Shannon
 City Attorney of Long Beach
 333 West Ocean Boulevard
 Long Beach, California 90802-4664
 Telephone (562) 570-2200

1 WHEREAS, pursuant to Section 1725(b) of Article XVII of said charter,
2 the City is authorized to arrange for bank credit as additional security for short-term
3 revenue certificates issued pursuant to said Section and in connection therewith
4 execute and deliver promissory notes to evidence advances made under such bank
5 credit facilities; and

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

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

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

20 WHEREAS, public interest and necessity require the City to authorize the
21 creation of an issue of short-term revenue certificates, which revenue certificates shall
22 be secured by and payable from Subordinate Revenues (as defined in the hereinafter
23 defined Master Subordinate Indenture) on a subordinate basis to the pledge of
24 Revenues granted to the Second Lien Trustee; and

25 WHEREAS, the City Council has determined that it is in the best interests
26 of the City to issue the short-term revenue certificates through the implementation of a
27 commercial paper program through the issuance of Subordinate Gas Utility Revenue
28 Commercial Paper Notes, Series A and Series B (Taxable) (the "Commercial Paper

1 Notes”) in an aggregate principal amount not to exceed \$35,000,000 at any one time
2 outstanding to finance and refinance ongoing [capital maintenance, improvements,
3 additions and rehabilitation to the Enterprise] (as defined in the hereinafter defined
4 Master Subordinate Indenture); and

5 WHEREAS, the Commercial Paper Notes will be issued in multiple series
6 in order that the interest paid on the Series A Notes will be excluded from the gross
7 income of the recipients thereof under the various provisions of the Internal Revenue
8 Code of 1986, as amended, and the regulations promulgated thereunder or related
9 thereto (collectively, the “Code”); and

10 WHEREAS, as part of such commercial paper program, the City Council
11 has determined that it is appropriate and to the benefit of the City to provide credit
12 enhancement in the form of an irrevocable direct-pay letter of Credit (the “Letter of
13 Credit” to be issued initially by JPMorgan Chase Bank, N.A., (together with any other
14 bank substituted or added as a party to the Letter of Credit, the “Bank”) pursuant to a
15 Reimbursement Agreement (the “Reimbursement Agreement”) between the City and
16 the Bank; and

17 WHEREAS, the commercial paper program, as herein authorized shall
18 include the issuance from time to time of the Commercial Paper Notes in maturities not
19 to exceed 270 days and incurrence of obligations to reimburse the Bank and to pay
20 interest on the unreimbursed amounts, and to make other payments to the Bank (the
21 “Payment Obligations”); and

22 WHEREAS, there have been presented to the City Council the following
23 documents:

24 (a) a form of the Master Subordinate Trust Indenture (the
25 “Master Subordinate Indenture”) by and between the City and Deutsche
26 Bank Trust Company Americas, as trustee (the “Trustee”);

27 (b) a form of the First Supplemental Subordinate Trust
28 Indenture (the “First Supplemental Subordinate Indenture”) by and

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 between the City and the Trustee;

2 (c) a form of the Issuing and Paying Agent Agreement
3 (the "Issuing and Paying Agent Agreement") by and between the City and
4 Deutsche Bank National Trust Company, as issuing and paying agent (the
5 "Issuing and Paying Agent");

6 (d) a form of the Reimbursement Agreement including
7 therein a description of the obligations of the City constituting the Payment
8 Obligations;

9 (e) a form of the Bank Note (the "Bank Note") to be
10 issued by the City in order to evidence the Payment Obligations;

11 (f) a form of the Commercial Paper Dealer Agreement
12 (the "Dealer Agreement") between the City and Lehman Brothers Inc., as
13 dealer (the "Dealer"); and

14 (g) a form of the Offering Memorandum (the "Offering
15 Memorandum") relating to the offering and issuance of the Commercial
16 Paper Notes; and

17 WHEREAS, said documents will be modified and amended to reflect the
18 various details applicable to the different series of Commercial Paper Notes and said
19 documents are subject to completion to reflect the results of the individual sales of the
20 various series;

21
22 NOW, THEREFORE, the City Council of the City of Long Beach resolves
23 as follows:

24 Section 1. That the above recitals are true and correct and are
25 incorporated herein by reference.

26 Sec. 2. Issuance of Commercial Paper Notes; Terms of Commercial
27 Paper Notes. For the purposes set forth in the foregoing recitals, the City Council
28 hereby authorizes the issuance, from time to time, of the Commercial Paper Notes, the

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 issuance of the Bank Note and the incurrence of Payment Obligations due to the Bank
2 under the Reimbursement Agreement and the First Supplemental Subordinate
3 Indenture provided that the aggregate principal amount of the Commercial Paper Notes
4 outstanding at any time shall not exceed \$35,000,000. The Commercial Paper Notes
5 shall have maturities not exceeding 270 days and each Commercial Paper Note shall
6 bear interest payable upon maturity at the rate set forth in the Instructions (as described
7 and defined in the First Supplemental Subordinate Indenture and the Dealer
8 Agreement) for such Commercial Paper Note which shall be a rate consistent with
9 market conditions at the time of issuance of such Commercial Paper Note.
10 Notwithstanding anything to the contrary in the previous sentence or the provisions of
11 this Resolution, the Commercial Paper Notes shall not bear interest in excess of the
12 lesser of (a) twelve percent (12%) per annum and (b) the maximum rate of interest
13 permitted by applicable law. Except as provided in the following sentence, the
14 Commercial Paper Notes (i) shall bear interest payable at maturity at an annual rate
15 (calculated on the basis of a year consisting of 365/366 days and actual number of
16 days elapsed), (ii) shall mature and become due and payable on such dates as the
17 Dealer shall determine at the time of sale but in any event not more than 270 days after
18 their respective dates or later than the Termination Date (as defined in the First
19 Supplemental Subordinate Indenture), (iii) shall be sold at a price of not less than 100%
20 of the principal amount thereof and (iv) shall mature on a Business Day (as defined in
21 the First Supplemental Subordinate Indenture). The Series B Notes may be issued and
22 sold at a price less than the principal amount thereof, as determined by the Dealer and
23 approved by a Designated Representative (as described herein) at the time any Series
24 B Notes are issued, and interest, if any, payable on Series B Notes shall accrue from
25 their respective dates, and be payable at maturity, and shall be calculated on the basis
26 of a 360-day year and actual number of days elapsed. The Commercial Paper Notes
27 shall be available in minimum denominations of \$100,000 and integral multiples of
28 \$1,000 in excess thereof and shall be dated the date of issuance. The Commercial

1 Paper Notes shall not be subject to redemption prior to their respective maturities. The
2 Commercial Paper Notes shall be payable, both with respect to interest and principal as
3 provided for in the First Supplemental Subordinate Indenture. The Commercial Paper
4 Notes may be issued so that the interest thereon is excluded from gross income for
5 federal income tax purposes or not excluded or part excluded and part not excluded in
6 such combination as is acceptable to the Designated Representative authorizing the
7 same. The Commercial Paper Notes shall be in fully registered form and may be
8 issued in book-entry form as provided in the First Supplemental Subordinate Indenture.

9 The commercial paper program shall expire on July 1, 2020 unless such
10 date has been extended by a subsequent resolution of the City Council.

11 A portion of the proceeds of each new issue of Commercial Paper Notes
12 may, in accordance with the terms of the First Supplemental Subordinate Indenture, be
13 used to make a deposit to pay interest on the Commercial Paper Notes.

14 The terms of the Commercial Paper Notes shall, consistent with this
15 Resolution, be set forth in: (a) a Notice of Issuance of Commercial Paper Notes (as
16 described and defined in the First Supplemental Subordinate Indenture) delivered to the
17 Dealer by a Designated Representative, which Designated Representative is
18 designated by Section 15 of this Resolution, (b) a Note Designation Certificate (as
19 described and defined in the First Supplemental Subordinate Indenture and the Dealer
20 Agreement) delivered to the Dealer by a Designated Representative, and (c)
21 Instructions delivered to the Issuing and Paying Agent by the Dealer.

22 The City shall be obligated to reimburse the Bank for all amounts drawn
23 under the Letter of Credit and to pay interest on the amounts drawn under the Letter of
24 Credit until such amounts are reimbursed all in accordance with the terms of the
25 Reimbursement Agreement, and the City Council authorizes the incurrence of the
26 Payment Obligations being the obligation to repay advances, to pay interest thereon,
27 and any other amounts owed to the Bank under the Reimbursement Agreement. The
28 principal amount of each Payment Obligation shall bear interest at such rates as set

1 forth in the Reimbursement Agreement, the Letter of Credit and the Bank Note. The
2 Payment Obligations shall be subject to prepayment at any time in accordance with the
3 terms of the Reimbursement Agreement.

4 Sec. 3. Pledge to Secure the Commercial Paper Notes and the
5 Payment Obligations. The City Council hereby approves the pledge to secure the
6 Commercial Paper Notes and the Payment Obligations as set forth in the Master
7 Subordinate Indenture, the First Supplemental Subordinate Indenture and the
8 Reimbursement Agreement.

9 Sec. 4. Special Obligations. The Commercial Paper Notes and the
10 Payment Obligations shall be special obligations of the City, secured by, and payable
11 from, Subordinate Revenues and from the funds and accounts held by the Trustee and
12 the Issuing and Paying Agent under the Master Subordinate Indenture, the First
13 Supplemental Subordinate Indenture and the Issuing and Paying Agent Agreement, as
14 and to the extent therein described and from advances made to pay principal and
15 interest on the Commercial Paper Notes pursuant to the Letter of Credit. The
16 Commercial Paper Notes and the Payment Obligations shall also be secured by and be
17 paid from such other sources as the City may hereafter provide that are available in the
18 Enterprise Fund (as defined in the Master Subordinate Indenture), including, but not
19 limited to, proceeds of additional borrowings for such purpose and any applicable state
20 or federal grants received by the City. The Commercial Paper Notes are not to be and
21 shall not be secured by the taxing power of the City.

22 Sec. 5. Forms of Commercial Paper Notes. The Commercial Paper
23 Notes and the Issuing and Paying Agent's Certificate of Authentication to appear
24 thereon shall be in substantially the form set forth in Exhibits A-1, A-2 and E to the First
25 Supplemental Subordinate Indenture with necessary or appropriate variations,
26 omissions and insertions as permitted or required by the Master Subordinate Indenture
27 or the First Supplemental Subordinate Indenture or as appropriate to adequately reflect
28 the terms of each series of the Commercial Paper Notes and the obligation represented

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 thereby.

2 Sec. 6. Execution of the Commercial Paper Notes. Each of the
3 Commercial Paper Notes shall be executed on behalf of the City by either the City
4 Manager, the Director of Financial Management, the City Treasurer or any other
5 Authorized City Representative (as defined in the Master Subordinate Indenture)
6 designated by the City Manager (each a "Designated Officer") and attested by the City
7 Clerk. Any such signatures may be by manual or facsimile signature and the seal may
8 be impressed or printed on the Commercial Paper Notes. Additionally, each of the
9 Commercial Paper Notes shall be authenticated by the signature of the Issuing and
10 Paying Agent or an agent of the Issuing and Paying Agent as required and permitted by
11 the Master Subordinate Indenture. Any facsimile signature of such Designated Officer
12 of the City shall be of the same force and effect as if such signature were manually
13 placed on such Commercial Paper Notes.

14 Sec. 7. Approval of Master Subordinate Indenture. The Master
15 Subordinate Indenture, in the form on file with the City Clerk, is hereby approved. Any
16 one of the Designated Officers, each acting alone, are hereby authorized, empowered
17 and directed to execute, acknowledge and deliver the Master Subordinate Indenture,
18 including counterparts thereof, in the name and on behalf of the City. The Master
19 Subordinate Indenture, as executed and delivered, shall be in substantially the form
20 now before this meeting and hereby approved, or with such changes therein as shall be
21 approved by the officer or officers executing such Master Subordinate Indenture, such
22 execution to be conclusive evidence of the City Council's approval of any and all
23 changes or revisions therein from the form of the Master Subordinate Indenture now
24 before this meeting; and the City Clerk is hereby authorized and directed to attest and
25 to affix the seal of the City thereto. The City Council hereby authorizes the delivery and
26 performance of the Master Subordinate Indenture and from and after the execution and
27 delivery of the Master Subordinate Indenture, the officers, agents and employees of the
28 City are hereby authorized, empowered and directed to do all such acts and things and

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 to execute all such documents as may be necessary to carry out and comply with the
2 provisions of the Master Subordinate Indenture.

3 Sec. 8. Approval of First Supplemental Subordinate Indenture. The
4 First Supplemental Subordinate Indenture, in the form on file with the City Clerk, is
5 hereby approved. Any one of the Designated Officers, each acting alone, are hereby
6 authorized, empowered and directed to execute, acknowledge and deliver the First
7 Supplemental Subordinate Indenture, including counterparts thereof, in the name and
8 on behalf of the City. The First Supplemental Subordinate Indenture, as executed and
9 delivered, shall be in substantially the form now before this meeting and hereby
10 approved, or with such changes therein as shall be approved by the officer or officers
11 executing such First Supplemental Subordinate Indenture, such execution to be
12 conclusive evidence of the City Council's approval of any and all changes or revisions
13 therein from the form of the First Supplemental Subordinate Indenture now before this
14 meeting; and the City Clerk is hereby authorized and directed to attest and to affix the
15 seal of the City thereto. The City Council hereby authorizes the delivery and
16 performance of the First Supplemental Subordinate Indenture and from and after the
17 execution and delivery of the First Supplemental Subordinate Indenture, the officers,
18 agents and employees of the City are hereby authorized, empowered and directed to
19 do all such acts and things and to execute all such documents as may be necessary to
20 carry out and comply with the provisions of the First Supplemental Subordinate
21 Indenture.

22 Sec. 9. Approval of Issuing and Paying Agent Agreement. The
23 Issuing and Paying Agent Agreement, in the form on file with the City Clerk, is hereby
24 approved. Any one of the Designated Officers, each acting alone, are hereby
25 authorized, empowered and directed to execute, acknowledge and deliver the Issuing
26 and Paying Agent Agreement, including counterparts thereof, in the name and on
27 behalf of the City. The Issuing and Paying Agent Agreement, as executed and
28 delivered, shall be in substantially the form now before this meeting and hereby

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 approved, or with such changes therein as shall be approved by the officer or officers
2 executing such Issuing and Paying Agent Agreement, such execution to be conclusive
3 evidence of the City Council's approval of any and all changes or revisions therein from
4 the form of the Issuing and Paying Agent Agreement now before this meeting; and the
5 City Clerk is hereby authorized and directed to attest and to affix the seal of the City
6 thereto. The City Council hereby authorizes the delivery and performance of the
7 Issuing and Paying Agent Agreement and from and after the execution and delivery of
8 the Issuing and Paying Agent Agreement, the officers, agents and employees of the
9 City are hereby authorized, empowered and directed to do all such acts and things and
10 to execute all such documents as may be necessary to carry out and comply with the
11 provisions of the Issuing and Paying Agent Agreement.

12 Sec. 10. Approval of Reimbursement Agreement and Bank Note.

13 The Reimbursement Agreement and the Bank Note, in the forms on file with the City
14 Clerk, are hereby approved. Any one of the Designated Officers, each acting alone,
15 are hereby authorized, empowered and directed to execute, acknowledge and deliver
16 the Reimbursement Agreement and the Bank Note, including counterparts thereof, in
17 the name and on behalf of the City. The Reimbursement Agreement and the Bank
18 Note, as executed and delivered, shall be in substantially the forms now before this
19 meeting and hereby approved, or with such changes therein as shall be approved by
20 the officer or officers executing such Reimbursement Agreement and the Bank Note,
21 such execution to be conclusive evidence of the City Council's approval of any and all
22 changes or revisions therein from the form of the Reimbursement Agreement and the
23 Bank Note now before this meeting; and the City Clerk is hereby authorized and
24 directed to attest and to affix the seal of the City thereto. The City Council hereby
25 authorizes the delivery and performance of the Reimbursement Agreement and the
26 Bank Note and from and after the execution and delivery of the Reimbursement
27 Agreement and the Bank Note, the officers, agents and employees of the City are
28 hereby authorized, empowered and directed to do all such acts and things and to

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 execute all such documents as may be necessary to carry out and comply with the
2 provisions of the Reimbursement Agreement and the Bank Note. The City Council
3 hereby designates any obligation to the Bank under the Reimbursement Agreement
4 and the Bank Note as a Subordinate Obligation under the Master Subordinate
5 Indenture.

6 Sec. 11. Approval of Dealer Agreement. The Dealer Agreement, in
7 the form on file with the City Clerk, is hereby approved. Any one of the Designated
8 Officers, each acting alone, are hereby authorized, empowered and directed to
9 execute, acknowledge and deliver the Dealer Agreement, including counterparts
10 thereof, in the name and on behalf of the City. The Dealer Agreement, as executed
11 and delivered, shall be in substantially the form now before this meeting and hereby
12 approved, or with such changes therein as shall be approved by the officer or officers
13 executing such Dealer Agreement, such execution to be conclusive evidence of the City
14 Council's approval of any and all changes or revisions therein from the form of the
15 Dealer Agreement now before this meeting; and the City Clerk is hereby authorized and
16 directed to attest and to affix the seal of the City thereto. The City Council hereby
17 authorizes the delivery and performance of the Dealer Agreement and from and after
18 the execution and delivery of the Dealer Agreement, the officers, agents and
19 employees of the City are hereby authorized, empowered and directed to do all such
20 acts and things and to execute all such documents as may be necessary to carry out
21 and comply with the provisions of the Dealer Agreement.

22 Sec. 12. Approval of Offering Memorandum. The Offering
23 Memorandum, prepared by the City, is hereby approved in substantially the form
24 presented to and considered at this meeting (a form of which is on file with the City
25 Clerk), with such changes, additions or deletions which are approved by the Designated
26 Officers. Each Offering Memorandum so distributed shall first be approved by a
27 Designated Officer pursuant to the terms of the Dealer Agreement. The Dealer is
28 hereby authorized to distribute the Offering Memorandum in final form to market the

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 Commercial Paper Notes from time to time, and is hereby authorized to distribute
2 copies of the Enterprise Fund's most recent annual audited financial statements and
3 such other financial statements of the Enterprise Fund as the City Manager, the
4 Director of Financial Management, the City Treasurer shall approve. The City Council
5 further hereby authorizes, from time to time, the preparation, execution and delivery of
6 one or more additional or supplemental offering memorandum in accordance with the
7 terms of the hereinabove approved Dealer Agreement, the delivery of any such
8 document by the City Manager, the Director of Financial Management, the City
9 Treasurer to be conclusive evidence of the City Council's approval of such
10 supplements, additions, deletions and changes.

11 Sec. 13. Approval of Dealer. The City Council hereby appoints
12 Lehman Brothers Inc., as dealer for the Commercial Paper Notes under the First
13 Supplemental Subordinate Indenture. Such appointment shall be effective upon
14 adoption of this Resolution and shall remain in effect until the City Council shall, by
15 supplemental agreement or by resolution, name a substitute(s) or successor(s) thereto.
16 Execution and delivery of the Instruction by the Dealer pursuant to the Dealer
17 Agreement containing the purchaser, the series designation, the program designation,
18 the subseries designation, the principal amount, the purchase price, the date of
19 issuance, the maturity date, the interest rate, and the price or yield for each Commercial
20 Paper Note to be issued at such time, within the parameters set forth in this Resolution,
21 the First Supplemental Subordinate Indenture and the Dealer Agreement, shall
22 constitute conclusive evidence of the City Council's approval of such purchaser, series
23 designation, program designation, subseries designation, principal amount, purchase
24 price, date of issuance, maturity date, interest rate, and price or yield for such issue of
25 Commercial Paper Notes.

26 Sec. 14. Approval of Trustee, Issuing and Paying Agent and
27 Registrar. The City Council hereby appoints Deutsche Bank Trust Company Americas,
28 as trustee and registrar, and Deutsche Bank National Trust Company, as issuing and

1 paying agent under the Master Subordinate Indenture, the First Supplemental
2 Subordinate Indenture and the Issuing and Paying Agent Agreement. Such
3 appointments shall be effective upon the issuance of the Commercial Paper Notes and
4 shall remain in effect until the City Council shall, by supplemental agreement or by
5 resolution, name a substitute or successor thereto.

6 Sec. 15. Professional Services. Inasmuch as the City shall require
7 the services of certain professional in connection with the issuance and sale of the
8 Commercial Paper Notes, the City hereby appoints the firm of Kutak Rock LLP, as
9 Bond Counsel, and Public Financial Management Inc., as Financial Advisor, on such
10 terms as shall be favorable to the City and approved by the City Treasurer and City
11 Attorney, respectively.

12 Sec. 16. Designated Representatives. The City Council hereby
13 appoints the City Manager, the Director of Financial Management, the City Treasurer,
14 and any other persons designated by the City Manager to serve as Designated
15 Representatives of the City under the terms of this Resolution and the First
16 Supplemental Subordinate Indenture. The Designated Representatives are, and each
17 of them is, hereby authorized and are hereby directed to perform those duties set forth
18 in the Master Subordinate Indenture, the First Supplemental Subordinate Indenture, the
19 Issuing and Paying Agent Agreement, the Reimbursement Agreement, the Bank Note
20 and the Dealer Agreement (collectively, the "Documents") including, without limitation,
21 the execution of Note Designation Certificates and Notices of Issuance of Commercial
22 Paper Notes. The Designated Representatives are, and each of them is, also
23 authorized to make representations, certifications and warranties concerning the
24 Commercial Paper Notes and in connection with the issuance of Commercial Paper
25 Notes as and when required in the Documents and the certifications and agreements
26 relating to the federal tax exemption with regards to the Series A Notes.

27 Sec. 17. Additional Authorization. The City Manager, the Director of
28 Financial Management, the City Treasurer, and all officers, agents and employees of

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 the City, for and on behalf of the City, be and they hereby are authorized and directed
2 to do any and all things necessary to effect the execution and delivery of the
3 Commercial Paper Notes, the Documents, and the Offering Memorandum and to carry
4 out the terms thereof. The City Manager, the Director of Financial Management, the
5 City Treasurer and all other officers, agents and other employees of the City are further
6 authorized and directed, for and on behalf of the City, to execute all papers, documents,
7 certificates and other instruments that may be required in order to carry out the
8 authority conferred by this Resolution, the Master Subordinate Indenture and the First
9 Supplemental Subordinate Indenture or to evidence the same authority and its
10 exercise. The foregoing authorization includes, but is in no way limited to, authorizing
11 City staff to pay costs of issuance of the Commercial Paper Notes, fees and costs of
12 the Bank, and the Dealer's fees; authorizing the City Treasurer to direct the investment
13 of the proceeds of the Commercial Paper Notes in one or more of the permitted
14 investments provided for under the Master Subordinate Indenture, and authorizing the
15 execution by the City Manager, the Director of Financial Management, the City
16 Treasurer, any one of them, of a tax compliance certificate as required by the First
17 Supplemental Subordinate Indenture for the purpose of complying with the rebate
18 requirements of the Code, and any documents required by The Depository Trust
19 Company in connection with the issuance of the Commercial Paper Notes in book-entry
20 form.

21 Sec. 18. Costs of Issuance. The City Council authorizes funds of the
22 Enterprise Fund, together with the proceeds of the Commercial Paper Notes, to be
23 used to pay costs of issuance of the Commercial Paper Notes, including, but not limited
24 to, costs and expenses of attorneys, accountants, financial advisors, the costs
25 associated with rating agencies, costs and expenses of the Bank, printing publication
26 and mailing expenses; and any related filing fees thereof.

27 Sec. 19. Severability of Invalid Provisions. If any one or more of the
28 provisions contained in this Resolution shall for any reason be held to be invalid, illegal

1 or unenforceable in any respect, then such provision or provisions shall be deemed
2 severable from the remaining provisions contained in this Resolution and such
3 invalidity, illegality or unenforceability shall not affect any other provision of this
4 Resolution, and this Resolution shall be construed as if such invalid or illegal or
5 unenforceable provision had never been contained herein. The City Council hereby
6 declares that it would have adopted this Resolution and each and every Section,
7 paragraph, sentence, clause or phrase hereof and authorized the issuance of the
8 Commercial Paper Notes pursuant thereto irrespective of the fact that any one or more
9 Sections, paragraphs, sentences, clauses or phrases of this Resolution may be held
10 illegal, invalid or unenforceable.

11 Sec. 20. Section Headings and References; Interpretation. The
12 headings or titles of the several Sections hereof, and any table of contents appended to
13 copies hereof, shall be solely for convenience of reference and shall not affect the
14 meaning, construction or effect of this Resolution.

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

20 Sec. 21. Governing Law. This Resolution shall be construed and
21 governed in accordance with the laws of the State of California.

22 Sec. 22. This resolution shall take effect immediately upon its
23 adoption by the City Council, and the City Clerk shall certify the vote adopting this
24 resolution.

25
26 I hereby certify that the foregoing resolution was adopted by the City
27 Council of the City of Long Beach at its meeting of _____, 2005, by

28 *////*

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

the following vote:

Ayes: Councilmembers:

Noes: Councilmembers:

Absent: Councilmembers:

City Clerk

HAM:fl
6/8/05; 6/23/05
L:\APPS\CtyLaw32\WPDOCS\D008\0004\00075231.WPD
#05-02547