

\$\_[\_\_\_\_\_]  
City of Long Beach, California  
Harbor Revenue Refunding Bonds  
Series 2015A

\$\_[\_\_\_\_\_]  
City of Long Beach, California  
Harbor Revenue Refunding Bonds  
Series 2015B

\$\_[\_\_\_\_\_]  
City of Long Beach, California  
Harbor Revenue Bonds  
Series 2015C

\$\_[\_\_\_\_\_]  
City of Long Beach, California  
Harbor Revenue Bonds  
Series 2015D

**CERTIFICATE REGARDING ADDITIONAL SENIOR BONDS**

May 7, 2015

This certificate is delivered pursuant to clause (d) of the definition of “**Permitted Debt**” set forth in the TIFIA Loan Agreement (the “**TIFIA Loan Agreement**”) dated as of May 21, 2014, by and between the City of Long Beach, California, acting by and through its Board of Harbor Commissioners (the “**Borrower**”), and the United States Department of Transportation, acting by and through the Federal Highway Administrator (the “**TIFIA Lender**”). All capitalized terms used and not otherwise defined herein have the meanings given to them in the TIFIA Loan Agreement.

I, [Steven B. Rubin, the Managing Director, Finance and Administration] of the Harbor Department of the City of Long Beach, California, on behalf of the Borrower, and not in my personal capacity, certify as follows:

1. The Board of Harbor Commissioners of the City of Long Beach, California (the “**Board**”), adopted Resolution No. HD-1475 on November 8, 1989, as amended (the “**Senior Master Resolution**”) which authorizes the issuance of Senior Bonds from time to time pursuant to Supplemental Senior Resolutions.

2. Pursuant to the Senior Master Resolution and Resolution No. HD-1891 adopted by the Board on December 15, 1997 (the “**Fifth Supplemental Senior Resolution**”), the Borrower issued a Series of Senior Bonds in the aggregate principal amount of \$206,330,000 and designated as “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 1998A” (the “**Series 1998A Senior Bonds**”), of which \$74,110,000 aggregate principal amount remains Outstanding.

3. Pursuant to the Senior Master Resolution and Resolution No. HD-2242 adopted by the Board on February 28, 2005 (the “**Eleventh Supplemental Senior Resolution**”), the Borrower issued (i) a Series of Senior Bonds in the aggregate principal amount of \$233,005,000 and designated as “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2005A” (the “**Series 2005A Senior Bonds**”), of which \$80,625,000 aggregate principal amount remains Outstanding, and (ii) a Series of Senior Bonds in the aggregate principal amount of \$24,970,000 and designated as “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2005B” (the “**Series 2005B Senior Bonds**,” and together with the Series 2005A Senior Bonds, the “**Series 2005 Senior Bonds**”), of which \$24,970,000 aggregate principal amount remains Outstanding. The Outstanding Series 2005 Senior Bonds will be redeemed with a portion of the proceeds of the Series 2015 Senior Revenue Refunding Bonds (as hereinafter defined).

4. Pursuant to the Senior Master Resolution and Resolution No. HD-2555 adopted by the Board on April 5, 2010 (the “**Twelfth Supplemental Senior Resolution**”), the Borrower issued a Series of Senior Bonds in the aggregate principal amount of \$200,835,000 and designated as “City of Long Beach, California Harbor Revenue Bonds, Series 2010A” (the “**Series 2010A Senior Bonds**”), of which \$160,175,000 aggregate principal amount remains Outstanding.

5. Pursuant to the Senior Master Resolution and Resolution No. HD-2560 adopted by the Board on May 10, 2010 (the “**Thirteenth Supplemental Senior Resolution**”), the Borrower issued a Series of Senior Bonds in the aggregate principal amount of \$158,085,000 and designated as “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2010B” (the “**Series 2010B Senior Bonds**”), of which \$136,365,000 aggregate principal amount remains Outstanding.

6. Pursuant to the Senior Master Resolution and Resolution No. HD-2761 adopted by the Board on May 5, 2014 (the “**Fifteenth Supplemental Senior Resolution**”), the Borrower issued (i) a Series of Senior Bonds in the aggregate principal amount of \$38,465,000 and designated as “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2014A” (the “**Series 2014A Senior Bonds**”), of which \$38,465,000 aggregate principal amount remains Outstanding, and (ii) a Series of Senior Bonds in the aggregate principal amount of \$20,570,000 and designated as “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2014B” (the “**Series 2014B Senior Bonds**,” and together with the Series 2014A Senior Bonds, the “**Series 2014 Senior Bonds**”), of which \$20,570,000 aggregate principal amount remains Outstanding.

7. Pursuant to the Senior Master Resolution and Resolution No. HD-2767 adopted by the Board on June 9, 2014 (the “**Seventeenth Supplemental Senior Resolution**”), the Borrower issued a Series of Senior Bonds in the aggregate principal amount of \$325,000,000 and designated as “City of Long Beach, California Harbor Revenue Short-Term Notes, Series 2014C” (the “**Series 2014C Senior Notes**”), of which \$325,000,000 aggregate principal amount remains Outstanding.

8. Pursuant to the Senior Master Resolution and Resolution No. HD-[\_\_\_\_\_] adopted by the Board on [\_\_\_\_\_] , 2015 (the “**Eighteenth Supplemental Senior Resolution**”), the Borrower has authorized the issuance of (i) a Series of Senior Bonds in the aggregate principal amount of \$[\_\_\_\_\_] and designated as “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015A” (the “**Series 2015A Senior Bonds**”), and (ii) a Series of Senior Bonds in the aggregate principal amount of \$[\_\_\_\_\_] and designated as “City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015B” (the “**Series 2015B Senior Bonds**,” and together with the Series 2015A Senior Bonds, the “**Series 2015 Senior Revenue Refunding Bonds**”).

9. Pursuant to the Senior Master Resolution and Resolution No. HD-[\_\_\_\_\_] adopted by the Board on [\_\_\_\_\_] , 2015 (the “**Nineteenth Supplemental Senior Resolution**”), the Borrower has authorized the issuance of (i) a Series of Senior Bonds in the aggregate principal amount of \$[\_\_\_\_\_] and designated as “City of Long Beach, California Harbor Revenue Bonds, Series 2015C” (the “**Series 2015C Senior Bonds**”), and (ii) a Series of Senior Bonds in the aggregate principal amount of \$[\_\_\_\_\_] and designated as “City of Long Beach, California Harbor Revenue Bonds, Series 2015D” (the “**Series 2015D Senior Bonds**,” and

together with the Series 2015C Senior Bonds, the “**Series 2015 Senior Revenue Bonds**” and collectively with the Series 2015 Senior Revenue Refunding Bonds, the “**Series 2015 Senior Bonds**”).

10. Pursuant to the Subordinated Master Resolution and Resolution No. HD-2727 adopted by the Board on July 16, 2013 (the “**First Supplemental Subordinate Resolution**”), the Borrower is authorized to issue and have outstanding, at any one time, \$78,000,000 aggregate principal amount of City of Long Beach, California Subordinate Harbor Revenue Revolving Obligations, Series A (Tax-Exempt) (the “**Series A Subordinate Obligations**”).

11. Pursuant to the Subordinated Master Resolution and Resolution No. HD-2728 adopted by the Board on July 16, 2013 (the “**Second Supplemental Subordinate Resolution**”), the Borrower is authorized to issue and have outstanding, at any one time, \$122,000,000 aggregate principal amount of City of Long Beach, California Subordinate Harbor Revenue Revolving Obligations, Series B (Tax-Exempt) and Series C (Taxable) (the “**Series B/C Subordinate Obligations**”).

12. Pursuant to the Subordinated Master Resolution and Resolution No. HD-2763 adopted by the Board on May 12, 2014 (the “**Third Supplemental Subordinate Resolution**”), the Borrower authorized the incurrence of the TIFIA Loan and the issuance of the related TIFIA Note, in an aggregate principal amount not to exceed \$325,000,000.

13. Pursuant to Section 16(a) of the TIFIA Loan Agreement, the Borrower has covenanted not to incur indebtedness of any kind, without the TIFIA Lender’s prior written consent, except for Permitted Debt (including Additional Senior Bonds).

14. Provided the conditions set forth in clause (d) of the definition of Permitted Debt are satisfied, the Borrower is allowed to issue Additional Senior Bonds without the written consent of the TIFIA Lender.

15. The Borrower will be issuing the Series 2015 Senior Bonds on the date hereof as Additional Senior Bonds and the Series 2015 Senior Bonds are Permitted Debt as described in the TIFIA Loan Agreement, and therefore, the issuance of the Series 2015 Senior Bonds does not require the written consent of the TIFIA Lender.

16. As described below, the conditions set forth in clause (d) of the definition of Permitted Debt in connection with the issuance of the Series 2015 Senior Bonds are satisfied on the date hereof:

(i) the issuance of the Series 2015 Senior Bonds is permitted under Section 6.11 of the Senior Master Resolution;

(ii) the terms and conditions of the Series 2015 Senior Bonds and any related Senior Debt Documents do not conflict with, or result in a breach of any other provision of any of the Senior Debt Documents or Subordinated Debt Documents in effect on the date hereof;

(iii) no Event of Default or Prospective Event of Default has occurred and is continuing (or will result from the issuance of the Series 2015 Senior Bonds in connection therewith);

(iv) as described in more detail in paragraph (17) below, the Coverage Ratios, when calculated on a Pro Forma Basis using the Financial Plan most recently

approved by the TIFIA Lender for the twelve (12) month period ending on the Semi-Annual Payment Date occurring on or immediately prior to the date hereof, in connection with the issuance of the Series 2015 Senior Bonds in respect thereof were greater than (A) in the case of the Adjusted Rate Coverage Ratio, 1.00:1.00 for the applicable period and (B) in the case of the Rate Coverage Ratio, 1.10:1.00 for each applicable period; and

(v) the Nationally Recognized Rating Agency that provided the most recent public rating of the TIFIA Loan in accordance with Section 15(i) of the TIFIA Loan Agreement has provided a credit rating of the TIFIA Loan that is equal to or higher than the lower of (A) the initial credit rating furnished as of the Effective Date and (B) the credit rating of the TIFIA Loan immediately prior to the incurrence of the Series 2015 Senior Bonds. Evidence of the credit rating of the TIFIA Loan is shown on Exhibit A attached hereto.

17. Computation of Coverage Ratios. The Coverage Ratios were calculated as follows:

(i) Adjusted Rate Coverage Ratio = Net Revenues for the Fiscal Year ended September 30, 2014 divided by Maximum Annual Debt Service.

(A) Net Revenues for the Fiscal Year ended September 30, 2014 were \$[\_\_\_\_\_] (as shown in Exhibit B attached hereto).

(B) The computation of Maximum Annual Debt Service is shown in Exhibit C attached hereto. After the issuance of the Series 2015 Senior Bonds, Maximum Annual Debt Service will equal \$[\_\_\_\_\_] in the Calculation Period ended May 15, 20[\_\_\_]. For purposes of calculating Maximum Annual Debt Service, [(1) the interest payable on the Series 2014C Senior Notes was excluded from the calculation of Maximum Annual Debt Service because such interest is being paid with proceeds of the Series 2014C Senior Notes which were deposited by the Treasurer on June 12, 2014 to the Interest Account (as defined in the Senior Master Resolution),] and (2) the Existing Subordinated Debt Obligations were amortized on a substantially level basis over a 30-year period beginning on [\_\_\_\_\_] and the assumed interest rate on the Existing Subordinated Debt Obligations was [12%] per annum.

(C) Based on the Net Revenues provided in (A) above and the computation of Maximum Annual Debt Service described in (B) above, the Adjusted Rate Coverage Ratio is [\_\_\_\_]:1.00. Such computation is provided below.

**Adjusted Rate Coverage Ratio**

Net Revenues	\$[_____]
Maximum Annual Debt Service	\$[_____]
Coverage	[____]:1.00

(ii) Rate Coverage Ratio = Revenues for the Fiscal Year ended September 30, 2014 divided by Maximum Annual Debt Service.

(A) Revenues for the Fiscal Year ended September 30, 2014 were \$[\_\_\_\_\_].

(B) The computation of Maximum Annual Debt Service is shown in Exhibit C attached hereto. After the issuance of the Series 2015 Senior Bonds, Maximum Annual Debt Service will equal \$[\_\_\_\_\_] in the Calculation Period ended May 15, 20[\_\_\_]. For purposes of calculating Maximum Annual Debt Service, [(1) the interest payable on the Series 2014C Senior Notes was excluded from the calculation of Maximum Annual Debt Service because such interest is being paid with proceeds of the Series 2014C Senior Notes which were deposited by the Treasurer on June 12, 2014 to the Interest Account (as defined in the Senior Master Resolution),] and (2) the Existing Subordinated Debt Obligations were amortized on a substantially level basis over a 30-year period beginning on [\_\_\_\_\_] and the assumed interest rate on the Existing Subordinated Debt Obligations was [12%] per annum.

(C) Based on the Revenues provided in (A) above and the computation of Maximum Annual Debt Service described in (B) above, the Rate Coverage Ratio is [\_\_\_\_]:1.00. Such computation is provided below.

**Rate Coverage Ratio**

Net Revenues	\$[_____]
Maximum Annual Debt Service	\$[_____]
Coverage	[____]:1.00

18. For purposes of this certificate, the Borrower has no outstanding Senior Debt Obligations or Subordinated Debt Obligations other than (i) the Series 1998A Senior Bonds, (ii) the Series 2010A Senior Bonds, (iii) the Series 2010B Senior Bonds, (iv) the Series 2014 Senior Bonds, (v) the Series 2014C Senior Notes, (vi) the Series 2015 Senior Bonds (which will be issued and delivered on the date hereof), (vii) the Existing Subordinated Debt Obligations, and (viii) the TIFIA Loan and the TIFIA Note.

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IN WITNESS WHEREOF, the undersigned has executed this Certificate on the date first above written.

**CITY OF LONG BEACH CALIFORNIA, acting  
by and through its BOARD OF HARBOR  
COMMISSIONERS**

By: \_\_\_\_\_

[Steven B. Rubin, Managing Director,  
Finance and Administration, Harbor  
Department of the City of Long Beach

**EXHIBIT A**  
**EVIDENCE OF CREDIT RATING**  
[See Attached]

**EXHIBIT B**  
**NET REVENUES FOR THE**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2014**

Revenues	\$[_____]
Maintenance Costs	[_____]
Net Revenues	<u><u>\$[_____]</u></u>

**EXHIBIT C**  
**MAXIMUM ANNUAL DEBT SERVICE**  
[See Attached]