

**TRUSTEE SERVICES AGREEMENT**

by and between

**CITY OF LONG BEACH, CALIFORNIA**

and

**U.S. BANK NATIONAL ASSOCIATION,**  
as Trustee

Relating to:

**[\$[PAR]]  
City of Long Beach, California  
Harbor Revenue Bonds  
Series 2019A  
(Non-AMT)**

Dated July [●], 2019

---

---

## TRUSTEE SERVICES AGREEMENT

**THIS TRUSTEE SERVICES AGREEMENT**, dated July [•], 2019 (this “*Agreement*”), is made by and between the **CITY OF LONG BEACH, 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, as trustee (the “*Trustee*”).

### WITNESSETH:

WHEREAS, 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;

WHEREAS, pursuant to Article XII of said charter, the City, acting by and through its Board of Harbor Commissioners (the “*Board*”), is authorized to issue, on behalf of the City, revenue bonds for harbor purposes;

WHEREAS, pursuant to Resolution No. HD-1475 adopted by the Board on November 8, 1989 (together with all amendments, modifications and supplements thereto, the “*Master Resolution*”), the Board has heretofore authorized the issuance of Bonds (as defined in the Master Resolution) on behalf of the City by adoption of supplemental resolutions from time to time, with the payment of the principal, interest on and any redemption premiums thereon being secured by and payable solely from the Revenues (as defined in the Master Resolution) of the Port (as defined in the Master Resolution);

WHEREAS, on the date hereof, the City, acting by and through the Board, issued \$[PAR] aggregate principal amount of its City of Long Beach, California, Harbor Revenue Bonds, Series 2019A (the “*Series 2019A Senior Bonds*”), pursuant to Article XII of the Charter of the City, Title 3, Chapter 3.52, Division I of the Municipal Code of the City, certain provisions of the Revenue Bond Law of 1941, Section 54300, et seq., of the Government Code of the State of California, the Master Resolution, and Resolution No. HD-[•] adopted by the Board on July [•], 2019 (the “*Twenty-Second Supplemental Resolution*”);

WHEREAS, pursuant to the Master Resolution and the Twenty-Second Supplemental Resolution, the Board has directed the Treasurer of the City (the “*Treasurer*”) to establish, maintain and hold in trust certain funds and accounts in connection with the issuance of the Series 2019A Senior Bonds;

WHEREAS, the Board adopted Resolution No. HD-1940 on November 2, 1998 (the “*Sixth Supplemental Resolution*”) which authorizes the Treasurer to contract with third party trustees to act as agents to the Treasurer to maintain and hold in trust certain funds and accounts (except the Harbor Revenue Fund) presently under the custody and control of the Treasurer with respect to any series of outstanding Bonds, including the Series 2019A Senior Bonds;

WHEREAS, the Treasurer wishes to contract with the Trustee to maintain and hold in trust the Series 2019A Construction Fund, the Series 2019A Costs of Issuance Fund and the Series 2019A Rebate Fund pursuant to the terms and conditions of the Twenty-Second Supplemental Resolution in connection with the issuance of the Series 2019A Senior Bonds;

WHEREAS, the Treasurer shall still maintain ultimate responsibility for the control, care and custody of moneys deposited and maintained with the Trustee; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

“*Authorized Representative*” shall mean the Treasurer, the Treasurer Operations Officer or such other officer or employee of the City which has been designated by the Treasurer as an authorized representative by written notice delivered by the Treasurer to the Trustee.

“*Bond Service Fund*” shall mean the fund by the name established pursuant to the terms of the Master Resolution.

“*Business Day*” shall mean any day other than a Saturday, Sunday or other day on which the New York Stock Exchange is closed or on which banks are authorized or required to be closed in any of Los Angeles, California or New York, New York.

“*Costs of Issuance*” shall have the meaning set forth in the Master Resolution.

“*Interest Account*” shall mean the account by that name established pursuant to the terms of the Master Resolution and maintained within the Bond Service Fund.

“*Investment Securities*” shall mean any securities in which the City may legally invest, from time to time, funds subject to its control, including, without limitation, (i) shares in money market mutual funds which qualify as investments pursuant to Sections 53601 and 53635 of the Government Code of the State of California; (ii) shares in money market mutual funds the assets of which would otherwise qualify as investments pursuant to Sections 53601 and 53635 of the Government Code of the State of California except that such money market mutual funds include in their assets (a) registered warrants, treasury notes or bonds of any state within the United States and/or (b) bonds, notes, warrants or other evidence of indebtedness of any county, city, city and county or other public agency of any state within the United States; (iii) an investment agreement of any maturity with a financial institution or insurance company or insurance holding company which has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed obligations, rated in either of the two highest long-term rating categories by Moody’s Investors Service Inc. (“Moody’s”), or S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”), or in the case of an insurance company has a claims paying ability rated in either of the two highest rating categories by Moody’s or S&P, or an investment agreement of any maturity with a person that is a subsidiary of such a financial institution or such an insurance company or such an insurance holding company, provided that such person’s obligations under such investment agreement are absolutely and unconditionally guaranteed by such financial institution or such insurance company or such insurance holding

company; and (iv) such other investments that are provided for in the definition of Investment Securities in the Twenty-Second Supplemental Resolution.

Unless otherwise defined above or elsewhere in this Agreement, all words, terms and phrases used herein shall have the meanings assigned to such terms in the Master Resolution and the Twenty-Second Supplemental Resolution.

## ARTICLE II

### APPOINTMENT OF TRUSTEE

**Section 2.01. Appointment and Acceptance.** The City hereby appoints U.S. Bank National Association to act as trustee and agent to the City to maintain and hold in trust certain funds described herein and to perform such other duties as set forth in Article III hereof.

The Trustee hereby accepts its appointment, and agrees to execute the trusts and perform the duties set forth in this Agreement.

**Section 2.02. Compensation.** As compensation for the Trustee's services, the City hereby agrees to pay the Trustee the fees and amounts set forth in Exhibit C attached hereto and by this reference made a part hereof

## ARTICLE III

### DUTIES OF TRUSTEE

**Section 3.01. Establishment of Funds.** The Trustee shall establish and maintain the following funds:

- (a) City of Long Beach, California Harbor Revenue Bonds, Series 2019A Construction Fund (the "*Series 2019A Construction Fund*");
- (b) City of Long Beach, California Harbor Revenue Bonds, Series 2019A Costs of Issuance Fund (the "*Series 2019A Costs of Issuance Fund*"); and
- (c) City of Long Beach, California Harbor Revenue Bonds, Series 2019A Rebate Fund (the "*Series 2019A Rebate Fund*").

**Section 3.02. Application of Series 2019A Senior Bond Proceeds.** On the date hereof, the Treasurer shall or shall cause to be deposited with the Trustee \$[•] (which will be derived from the proceeds of the Series 2019A Senior Bonds), and the Trustee shall deposit such amount as follows

- (a) \$[•] shall be deposited into the Series 2019A Construction Fund to be used to pay the costs of the Series 2019A Project; and
- (b) \$[•] shall be deposited into the Series 2019A Costs of Issuance Fund to pay the Costs of Issuance of the Series 2019A Senior Bonds.

**Section 3.03. Application of Series 2019A Construction Fund.** The Trustee shall make payments or disbursements from the Series 2019A Construction Fund upon receipt from an Authorized Representative of a written requisition, in substantially the form attached as Exhibit A hereto, executed by an Authorized Representative, which requisition shall state, with respect to each amount requested thereby, (a) that such amount is to be paid from the Series 2019A Construction Fund and is to pay costs of the Series 2019A Project, (b) the number of the requisition, and (c) the amount to be paid, the name of the entity to which the payment is to be made and the manner in which the payment is to be made.

Moneys held in the Series 2019A Construction Fund shall be invested and reinvested by the Trustee as the written direction of the Treasurer in Investment Securities; in the absence of any such direction, the Trustee shall, to the extent practicable, invest in Investment Securities specified in item (ii) of the definition thereof. Earnings on the Series 2019A Construction Fund shall be retained in the Series 2019A Construction Fund, unless otherwise directed by an Authorized Representative pursuant to the terms and conditions of the Master Resolution and the Twenty-Second Supplemental Resolution. Upon completion of the Series 2019A Project, as provided in Section 4.02(b)(iv) of the Twenty-Second Supplemental Resolution, an Authorized Representative shall direct the Trustee as to the utilization of any remaining amounts in the Series 2019A Construction Fund.

**Section 3.04. Application of Series 2019A Costs of Issuance Fund.** The Trustee shall make payments or disbursements from the Series 2019A Costs of Issuance Fund upon receipt from an Authorized Representative of a written requisition, in substantially the form of Exhibit B attached hereto, executed by an Authorized Representative to pay the Costs of Issuance of the Series 2019A Senior Bonds.

The Trustee shall keep a record of all payments from the Series 2019A Costs of Issuance Fund, which record shall state: (a) the requisition number of such payment; (b) the name and address of the person to whom each such payment was made, (c) the respective amounts paid; and (d) the purpose by general classification for which each obligation paid was incurred.

Moneys held in the Series 2019A Costs of Issuance Fund shall be invested and reinvested by the Trustee at the written direction of the Treasurer in Investment Securities; in the absence of any such direction, the Trustee shall, to the extent practicable, invest in Investment Securities specified in item (ii) of the definition thereof. All investment earnings on amounts held in the Series 2019A Costs of Issuance Fund shall be transferred to the Treasurer for deposit to the Interest Account and used to make debt service payments on the Series 2019A Senior Bonds. Any amounts remaining in the Series 2019A Costs of Issuance Fund on January 1, 2020 shall be transferred to the Bond Service Fund and used to make debt service payments on the Series 2019A Senior Bonds and the Series 2019A Costs of Issuance Fund shall be closed.

**Section 3.05. Application of Series 2019A Rebate Fund.** All moneys at any time deposited in the Series 2019A Rebate Fund shall be held by the Trustee for the account of the City in trust, to the extent required to satisfy the rebate requirement with respect to the Series 2019A Senior Bonds, for payment to the federal government of the United States of America, and neither the City nor the Owner of any Series 2019A Senior Bonds shall have any rights in or claim to such money.

The Trustee shall invest all amounts held in the Series 2019A Rebate Fund, in the manner directed in writing by the Treasurer (subject to the limitations contained in the Tax Compliance Certificate) in Investment Securities; in the absence of any such direction, the Trustee shall, to the extent practicable, invest in Investment Securities specified in item (ii) of the definition thereof. Moneys shall not be transferred from the Series 2019A Rebate Fund except in accordance with the Tax Compliance Certificate. The City shall provide the Trustee with written directions for the transfer of any moneys from the Series 2019A Rebate Fund, and the Trustee may conclusively rely upon such directions.

## ARTICLE IV

### MISCELLANEOUS PROVISIONS

**Section 4.01. Liability of Trustee.** The Trustee shall not be liable for any loss resulting from any investment made pursuant to this Agreement in compliance with the express provisions hereof. Except to the extent all obligations to the Owners of the Series 2019A Senior Bonds shall have been satisfied, the Trustee shall have no lien whatsoever on the moneys on deposit in the funds established herein for the payment of fees and expenses for services rendered by the Trustee under this Agreement or otherwise.

Whenever in the administration of this 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, in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized Representative, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Trustee, be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Agreement upon the faith thereof.

The Trustee shall not be liable under the Twenty-Second Supplemental Resolution or this Agreement except to the extent of its negligence or willful misconduct. The Trustee shall not be liable for any error in judgment made by it in good faith. No provision of this Agreement or the Twenty-Second Supplemental Resolution shall require the Trustee to risk, expend or advance its own funds in the performance of its duties as Trustee, or in the exercise of any of its rights or powers. The Trustee may conclusively rely, as to the truth of the statements and correctness of the opinion expressed therein, on certificates or opinions furnished to the Trustee by or on behalf of the City. The Trustee may consult with legal counsel with regards to legal questions, and the opinion or advice of such legal counsel shall be full protection and authorization for any action taken or not taken by the Trustee in reliance upon the opinion or advice of such legal counsel. The Trustee may perform any of its duties under this Agreement or the Twenty-Second Supplemental Resolution directly or through its agents or attorneys and shall not be responsible for the actions of such agents or attorneys if such agents or attorneys were appointed by it with reasonable care.

**Section 4.02. Successor Trustee.** Any corporation into which the Trustee and the trust created by this Agreement may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Trustee shall be a party or any corporation or association succeeding to the

corporate trust business of the Trustee, shall be the successor Trustee under this Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

**Section 4.03. Termination.** This Agreement shall terminate when all transfers and payments required to be made by the Trustee under the provisions hereof shall have been made and all payments of any unpaid fees and expense of the Trustee shall have been made. The City hereby directs the Trustee to, and the Trustee shall distribute any moneys remaining in the funds established herein at the time of such termination to the Treasurer.

**Section 4.04. Severability.** If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Trustee to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

**Section 4.05. Successors and Assigns.** All of the covenants and agreements in this Agreement contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

**Section 4.06. Indemnity of Trustee.** To the extent permitted by law, the City agrees to indemnify and hold the Trustee harmless from and against all claims, suits and actions brought against it, or to which it is made a party, and from all costs, expenses (including reasonable attorneys' fee of counsel reasonably acceptable to the City), losses and damages suffered by it as a result thereof, including the costs and expenses of defending against any such claims, suits or actions, where and to the extent such claim, suit or action arises out of the performance by the Trustee of its duties under this Agreement. Such indemnification shall not extend to claims, suits and actions brought against the Trustee which result in a judgment being entered, settlement being reached or other disposition made based upon the Trustee's negligence or willful misconduct. The indemnification provided for in this Agreement shall never be payable from or become a lien upon the moneys deposited in the funds established herein, which funds shall be held solely for the purpose and subject to the liens set forth in Article III hereof. The obligations of the City under this Section shall remain in effect and continue notwithstanding the termination of this Agreement.

**Section 4.07. Third-Party Beneficiaries and Amendments.** The Owners of the Series 2019A Senior Bonds are hereby recognized as third-party beneficiaries of this Agreement to the extent of their interests in the funds as set forth in Article III hereof.

**Section 4.08. Replacement and Resignation of Trustee.** The City may remove the Trustee by notice in writing delivered to the Trustee thirty (30) days prior to the proposed removal date. The Trustee may resign by notifying the City in writing at least thirty (30) days prior to the proposed effective date of the resignation. No removal or resignation of the Trustee under this Section shall be effective until a new Trustee, approved by the City, has taken office and delivered a written acceptance of its appointment to the retiring Trustee and to the City. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the removal or resignation of the Trustee shall then (but only then) become

effective and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Agreement. If the Trustee is removed or resigns or for any reason is unable or unwilling to perform its duties under this Agreement, the City shall promptly appoint a successor Trustee. If a successor Trustee has not been appointed and has not accepted such appointment by the end of the 30-day period, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee, and the costs, expenses and reasonable attorneys' fees incurred in connection with such a proceeding shall be paid by the City.

**Section 4.09. Accounting Records and Reports of the Trustee.** The Trustee shall at all times keep, or cause to be kept, proper records in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Series 2019A Senior Bonds and all funds established by it pursuant to this Agreement. Such records shall be available for inspection with reasonable prior notice by the City on each Business Day during reasonable business hours and by any Owner of the Series 2019A Senior Bonds, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

The Trustee shall provide to the City each month a report of the amounts deposited into each fund held by it under this Agreement and the amount disbursed from such funds, the earnings thereon, the ending balance in each of such funds and the investments of each such fund.

**Section 4.10. Notices.** Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the City or the Trustee shall be mailed or delivered to the City or the Trustee, respectively, at the following addresses, or such other address as may have been given by one party to the other by fifteen (15) days' written notice.

City: City of Long Beach  
333 West Ocean Boulevard, 6<sup>th</sup> Floor  
Long Beach, California 90802  
Attn: City Treasurer

Fiscal Agent: U.S. Bank National Association  
Global Corporate Trust  
633 West Fifth Street, 24<sup>th</sup> Floor  
LM-CA-T24T  
Los Angeles, California 90071  
Attn: Ilse Vlach

**Section 4.11. Governing Law.** This Agreement shall be governed by the applicable laws of the State of California.

**Section 4.12. Headings.** Any headings preceding the text of the several Sections hereof, and any table of content appended to copies hereof, shall be solely for convenience of reference



and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

**Section 4.13. Amendments.** This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

**Section 4.14. Counterparts.** This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have each caused this Trustee Services Agreement to be executed by their duly authorized officers as of the date first above written.

CITY OF LONG BEACH, CALIFORNIA

By \_\_\_\_\_  
David S. Nakamoto, City Treasurer

Approved as to form:

J. CHARLES PARKIN, City Attorney

By \_\_\_\_\_  
Deputy City Attorney

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By \_\_\_\_\_  
Authorized Representative

[Signature page to Trustee Services Agreement]

**EXHIBIT A**

**FORM OF SERIES 2019A CONSTRUCTION FUND REQUISITION**

Requisition No. \_\_\_\_\_

To: U.S. Bank National Association  
Corporate Trust  
633 West Fifth Street, 24<sup>th</sup> Floor  
LM-CA-T24T  
Los Angeles, California 90071  
Attention: Ilse Vlach

Re: Requisition of Funds from City of Long Beach, California Harbor Revenue Bonds, Series 2019A Construction Fund

The amount requisitioned: \$ \_\_\_\_\_

Payment to be made to: \_\_\_\_\_

Manner in which payment is to be made: \_\_\_\_\_

The undersigned, an Authorized Representative within the meaning of the Trustee Services Agreement, dated July [•], 2019 (the "Trustee Services Agreement"), by and between the City of Long Beach, California (the "City"), and U.S. Bank National Association, as trustee (the "Trustee"), hereby requisitions the amount set forth above and directs that such amount be paid to the party set forth above from funds held in the City of Long Beach, California Harbor Revenue Bonds, Series 2019A Construction Fund and directs that payment be made in the manner described above.

The amount to be paid represents a cost of the Series 2019A Project and the amount requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate, dated July [•], 2019, relating to the Series 2019A Senior Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Twenty-Second Supplemental Resolution (as defined in the Trustee Services Agreement).

Dated: \_\_\_\_\_.

CITY OF LONG BEACH, CALIFORNIA

By \_\_\_\_\_  
Title \_\_\_\_\_  
Name \_\_\_\_\_

**EXHIBIT B**

**FORM OF SERIES 2019A COSTS OF ISSUANCE FUND REQUISITION**

Requisition No. \_\_\_\_\_

To: U.S. Bank National Association  
Global Corporate Trust  
633 West Fifth Street, 24<sup>th</sup> Floor  
LM-CA-T24T  
Los Angeles, California 90071  
Attention: Ilse Vlach

Re: Requisition of Funds from City of Long Beach, California Harbor Revenue Bonds, Series 2019A Costs of Issuance Fund

The amount requisitioned: \$ \_\_\_\_\_

Payment to be made to: \_\_\_\_\_

Manner in which payment is to be made: \_\_\_\_\_

The undersigned, an Authorized Representative within the meaning of the Trustee Services Agreement, dated July [•], 2019 (the "Trustee Services Agreement"), by and between the City of Long Beach, California (the "City"), and U.S. Bank National Association, as trustee (the "Trustee"), hereby requisitions the amount set forth above and directs that such amount be paid to the party set forth above from funds held in the City of Long Beach, California Harbor Revenue Bonds, Series 2019A Costs of Issuance Fund and directs that payment be made in the manner described above.

The amount to be paid represents a Costs of Issuance associated with the issuance of the Series 2019A Senior Bonds and the amount requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate, dated July [•], 2019, relating to the Series 2019A Senior Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Master Resolution and the Twenty-Second Supplemental Resolution (as each are defined in the Trustee Services Agreement).

Dated: \_\_\_\_\_.

CITY OF LONG BEACH, CALIFORNIA

By \_\_\_\_\_  
Title \_\_\_\_\_  
Name \_\_\_\_\_

**EXHIBIT C**

**SCHEDULE OF FEES FOR SERVICES AS TRUSTEE**