



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-30

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802

November 3, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for the First Amendment to Design-Build Contract No. 28388 between the City of Long Beach and ARB, Inc., in an estimated amount of \$42,470,106, plus a 5 percent contingency amount of \$2,123,505, if necessary, and increase the appropriation to \$44,593,611 in the Airport Enterprise Fund (EF 320) in the Airport Department (AP) for the completion of design and construction of Phase I of a parking structure at the Long Beach Airport; and

Adopt the resolution authorizing the City Manager to execute amendments to the Airport Commercial Paper Program allowing the City to take advantage of certain provisions of the American Recovery and Reinvestment Act of 2009, approving a third Supplemental Subordinate Trust Indenture, a second Amendment to the Issuing and Paying Agent Agreement, a second Amendment to Commercial Paper Dealer Agreement, and certain other documents relating to the Subordinate Airport Revenue Commercial Paper Program, approving the distribution of a Commercial Paper Offering Memorandum; and

Adopt the resolution approving a Master Senior Trust Indenture and related bond documents, and authorize the City Manager to execute documents for the issuance of Senior Airport Revenue Bonds in an amount not to exceed \$65,000,000 for the financing of the parking structure project, refinance of the design costs financed with commercial paper, refund the Airport Certificates of Participation Series 1993, and finance the costs of bond issuance; and

Increase appropriation by \$950,000 in the Airport Enterprise Fund (EF 320) in the Airport Department (AP) to pay the first debt service payment in FY10. (District 5)

DISCUSSION

Parking Structure Construction Contracts

On February 18, 2003, the City Council authorized the execution of Design-Build Contract No. 28388 with ARB, Inc., for the design and construction of a parking structure (Structure) in the

amount of \$32.2 million. The City Council limited authority for only the initial phase of the Structure, requiring further City Council approval for any additional phases. The initial phase of the Structure consists of design, engineering and preparation of construction documents.

Concurrently, the City Council authorized a contract with BonTerra for the completion of an Environmental Impact Report (EIR) for the Airport Terminal Improvement Project, which includes the Structure. From February 2003 through June 2006, the City conducted the EIR process culminating in City Council certification of the EIR on June 20, 2006. Although a preliminary site plan of the Structure was created for use in the EIR, a concerted effort commenced on the final Structure site plan following City Council certification of the EIR. On January 3, 2008, the Planning Commission approved the site plan for a 3,200-space Structure at the Long Beach Airport (see Exhibit "A") and work continued on engineering and preparation of the construction documents. On May 20, 2008, the City Council authorized the use of Airport Commercial Paper in the amount of \$5 million for completion of the design of the Structure.

In February 2009, due to economic factors affecting the nation's economy and, in particular, the aviation industry, Airport staff began to identify a "phased" approach to construction and financing of the Structure. This approach takes into consideration the Airport's current need for additional parking, economic factors and the necessity for financial sustainability. The Airport intends to construct the Structure in two phases based on current and future parking demand. Phase I of the Structure will provide for 1,989 parking spaces with an additional 239 surface parking spaces on the future site of Phase II (see Exhibit "B"). When built, Phase II of the Structure will provide for the remaining 1,211 parking spaces.

In order to move forward with construction of Phase I, an amendment to Design-Build Contract No. 28388 is required. The First Amendment contains the following major terms and provisions:

- Owner: City of Long Beach.
- Design-Builder: ARB, Inc.
- Contract Price: Owner shall pay Design-Builder the sum of \$42,470,106 for construction of Phase I of the Structure. Phase I of the Structure shall consist of the following Stages:
 - Stage I: \$ 4,500,443 - Design, Engineering & Construction Document Preparation;
 - Stage IIA: \$ 3,244,339 - Terminal Access Roadway;
 - Stage IIB: \$ 4,421,010 - Parking Structure Site Work;
 - Stage III: \$30,304,314 - Construction of Phase I Structure.
\$42,470,106

Exclusive of the design build contract, a 5 percent contingency amount of \$2,123,505 is being requested to cover unknown underground site conditions. The \$42,470,106 will be financed through a combination of tax-exempt bond proceeds (\$40,200,000) and Airport Enterprise Funds (EF 320).

- Substantial Completion: Substantial Completion of the project shall be achieved no later than 481 calendar days after the Design-Builder's receipt from the Owner of a formal Notice to Proceed (NTP) for construction of the building pad and Stage III of the project. The NTP shall not be issued prior to issuance of the building permit.

In addition, various provisions and attachments shall be edited and updated to reflect the revised scope of the project as well as updates to personnel, regulations and requirements since the initial execution of the contract. The amended contract shall only constitute work for Phase I of the Structure. Future City Council approval will be necessary for the design and construction of Phase II.

Stage IIA of the construction project will extend the southern portion of Donald Douglas Drive to Lakewood Boulevard. This will provide a new exit for terminal traffic to turn south on Lakewood Boulevard and improve the traffic circulation around the terminal and parking facilities. Studies and analyses conducted during the EIR process recommended the construction of the Terminal Access Roadway to improve vehicle circulation at the Airport.

Amendments to Passenger Facility Charge (PFC) Program

To fund the Terminal Access Roadway construction project, the Airport plans to amend the current PFC program to extend the collection period and submit a new application. Under Federal law, PFCs can only be used for certain non-revenue producing airport capital projects. The Airport has begun the process to amend the PFC program and anticipates its full completion within the next six months. The process will require future City Council approval. In the interim, existing Airport Enterprise Funds will be utilized for the costs associated with the Terminal Access Roadway project in an effort to maintain a targeted construction commencement date of December 1, 2009. The Airport Enterprise Fund will be reimbursed for the Terminal Access Roadway construction project from the amended PFC program, if approved. If not approved, the costs will be absorbed by the Airport Fund.

Amendments to Commercial Paper Program

As authorized in 2004 and amended in 2008 by the City Council, the Airport Commercial Paper Program was implemented to issue an aggregate, not to exceed \$25 million to finance ongoing capital maintenance and rehabilitation to the Airport (\$15 million) and design costs related to the parking structure and terminal improvements (\$10 million). In 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) was enacted. In order to take advantage of certain tax provisions of ARRA, it is necessary to amend certain provisions of the Commercial Paper Program issuing documents.

ARRA has temporarily repealed the Alternative Minimum Tax (AMT) on new money private activity bonds, and allows the refunding of specific AMT bonds into non-AMT status. This will allow the Airport to fund private activities with its Commercial Paper Program through 2010. The resolution would approve the third supplemental subordinate trust indenture which amends the previous definition and title of the Series A Notes and Series B Notes to conform with ARRA's treatment for federal income tax purposes; a second amendment to the issuing and paying agent agreement which amends references to Series A Notes and Series B Notes

to conform to the amended supplemental trust indenture; and a second amendment to the commercial paper dealer agreement which amends references to Series A Notes and Series B Notes to conform to the amended supplemental trust indenture.

Authorization to Issue Airport Revenue Bonds

The Resolution would authorize the execution of bond documents for the issuance and sale of senior airport revenue bonds in an amount not to exceed \$65,000,000, and amends the Airport Commercial Paper program documents to conform with the new master trust indenture and take advantage of the repeal of Alternative Minimum Tax for certain uses under the ARRA.

The bond proceeds shall be used to finance Phase I of the parking structure project, reimburse the City for expenditures previously incurred related to the parking structure project, fund capitalized interest during the construction period, refund a portion (\$4 million) of the \$10 million Airport Commercial Paper program used to finance the design of the parking structure, refund in full the 1993 Airport Certificates of Participation that refunded the 1991 Certificates of Participation, pay the cost of issuance, and if advantageous, purchase bond insurance. The refunding of the 1993 Airport Certificates of Participation is anticipated to generate approximately \$140,000 in present value savings for the Airport without a term extension or debt service increase. The chart below illustrates the amounts related to each of the debt issuance components:

Description	Projected Amount
Parking Structure Project	\$40,200,000
Commercial Paper Refunding	4,000,000
1993 Certificates of Participation Refunding	7,480,000
Debt Service Reserve	4,868,576
Capitalized Interest	4,349,930
Cost of Issuance	451,906
Underwriter's Discount	496,399
Total	\$61,846,811

This letter was reviewed by Assistant City Attorney Heather A. Mahood on September 15, 2009 and Budget and Performance Management Bureau Manager David Wodynski on October 12, 2009.

TIMING CONSIDERATIONS

City Council action is requested on November 3, 2009, to finalize the terms of the Second Amendment and proceed to secure funding for the construction of Phase I of the parking structure. The anticipated date of sale of the Bonds is mid-November 2009. The anticipated date for commencement of construction for the parking structure is December 1, 2009.

FISCAL IMPACT

The amended contract with ARB, Inc., is for an estimated amount of \$42,470,106. A five percent contingency of \$2,123,505 is recommended for unforeseen circumstances. An increase in appropriation of \$38,093,611 is requested to bring the total appropriations for this project to \$44,593,611 in the Airport Enterprise Fund (EF 320) in the Airport Department (AP). The increase in appropriation will be funded by the proceeds from the sale of Bonds, existing Airport Enterprise Funds, and the amended PFC Program, if approved. These actions have no impact on the General Fund. In addition, the Airport Enterprise Fund (EF 320) in the Airport Department (AP) will need appropriation in the amount of \$950,000 to pay its first net debt service payment in FY10 and is included in the Recommendation.

All future debt service payments of approximately \$4.6 million annually will be included in future Airport Department budgets. Please note the bonds are secured by a senior lien on the net revenues of the Airport; hence, revenues net of operating costs, will be used to pay for annual debt service obligations. During the construction period, parking revenues are projected to be approximately \$6.3 million annually, rising to approximately \$10.5 million annually upon completion of construction. The increased parking revenue will be available to support debt service. Please also note that the current Use Agreement for Lot D between the City of Long Beach and the Boeing Company, divides approximately \$600,000 in annual Lot D parking revenues between those two parties equally. When completed, the parking structure replaces Lot D use, retires the Use Agreement and redirects parking utilization and the corresponding revenue to the new garage at the Airport. The project also eliminates the monthly lease expense of \$1.8 million annually for the use of Lot D and the \$1 million in annual shuttle costs, thus also making those funds available for debt support.

Traditionally, General Aviation Revenue Bonds (GARBs) have been used to fund Airport-related construction projects. Similar to other municipally issued revenue bonds, GARBs are tax-exempt financing for governmental (non-private) purposes. The use of GARB proceeds is restricted to airport property for aviation related purposes. In addition to GARBs, the City is examining alternative debt structures available through ARRA and has determined that the parking structure is eligible for the Build America Bonds (BABs) program. Under the BAB structure the Airport would issue taxable financing bonds; however, the U.S. Treasury Department will subsidize 35 percent of the interest expense of the issuer through the life of the debt. ARRA has made BABs available during calendar years 2009 and 2010 only. To date, over \$32 billion in BABs have been issued. Given the current interest rate environment, a hybrid financing structure offers an annual estimated debt service savings of approximately \$150,000 that combine both GARBs and BABs. The final decision as to what combination of GARBs and BABs will be used will be made based on prevailing market conditions, interest rates and advice from the City's external Financial Advisor as well as Bond Counsel.

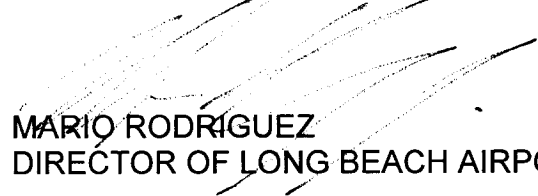
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO




MARIO RODRIGUEZ
DIRECTOR OF LONG BEACH AIRPORT

MR:LAF:jmlr:mm
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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

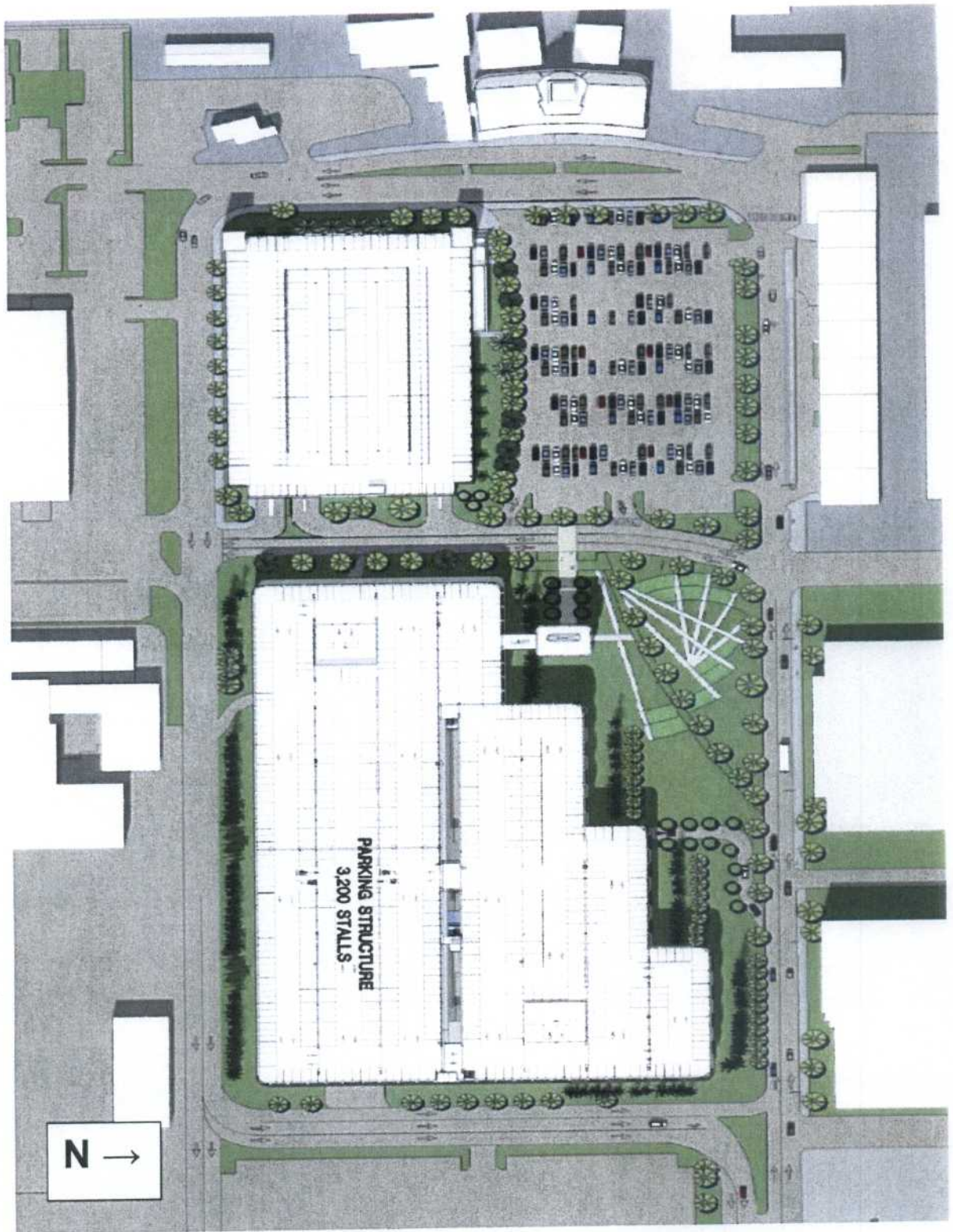


Exhibit "A"

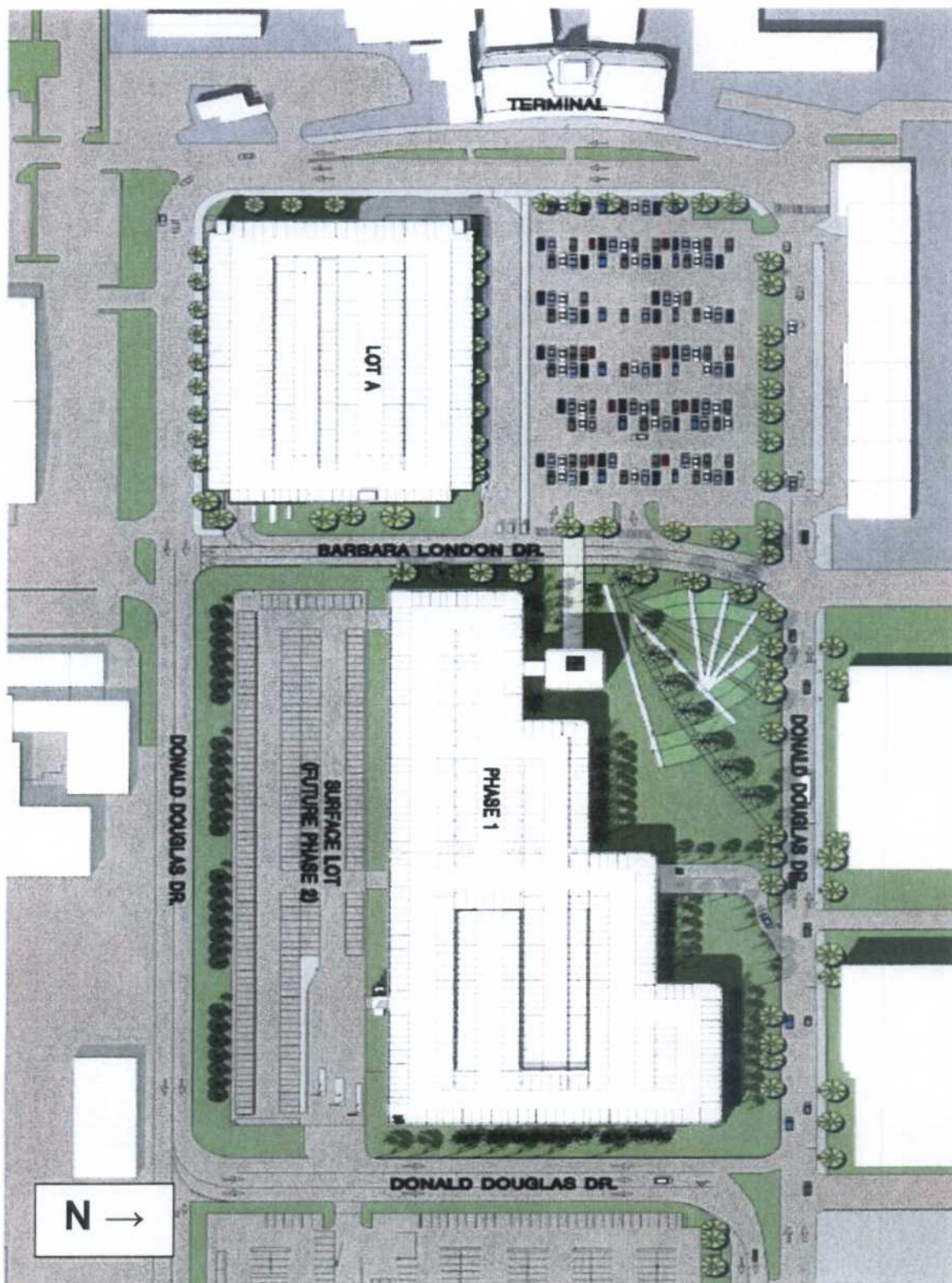


Exhibit "B"

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH AUTHORIZING THE ISSUANCE
AND SALE OF NOT TO EXCEED \$65 MILLION IN
AGGREGATE PRINCIPAL AMOUNT OF CITY OF LONG
BEACH, CALIFORNIA SENIOR AIRPORT REVENUE
BONDS SERIES 2009A, SENIOR AIRPORT REVENUE
REFUNDING BONDS SERIES 2009B AND SENIOR
AIRPORT REVENUE BONDS SERIES 2009C;
APPROVING A MASTER SENIOR TRUST INDENTURE, A
FIRST SUPPLEMENTAL SENIOR TRUST INDENTURE,
PRELIMINARY AND FINAL OFFICIAL STATEMENTS, A
BOND PURCHASE AGREEMENT, AN ESCROW
AGREEMENT, A CONTINUING DISCLOSURE
CERTIFICATE AND A FOURTH SUPPLEMENTAL
SUBORDINATE TRUST INDENTURE AND CERTAIN
RELATED MATTERS

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

WHEREAS, the City owns and operates the Long Beach Airport (the
"Airport"); and

WHEREAS, pursuant to the Charter and Sections 3.52.110 et seq. of the
Long Beach Municipal Code (the "Municipal Code"), the City is authorized to issue
revenue bonds payable from the Airport Enterprise Fund for purposes of financing
improvements to the Airport; and

1 WHEREAS, the City Council has determined that it is in the best interest of
2 the City to issue, from time to time, Bonds (as defined in the hereinafter defined Master
3 Senior Indenture) for the purposes set forth in the Charter, the Municipal Code and the
4 Master Senior Indenture and that such Bonds be payable from and secured by Net
5 Revenues (as defined in the Master Senior Indenture) and the other security provided for
6 in the Granting Clause of the Master Senior Indenture; and

7 WHEREAS, the City previously entered into an Installment Purchase
8 Contract, dated as of July 1, 1993, as amended (the "Installment Purchase Contract"),
9 with the Long Beach Capital Improvement Corporation (the "Capital Improvement
10 Corporation"), in connection with the refinancing of certain improvements at the Airport;
11 and

12 WHEREAS, the City's obligations (the "Installment Payments") under the
13 Installment Purchase Contract are payable from Net Revenues; and

14 WHEREAS, pursuant to that certain Trust Agreement, dated as of July 1,
15 1993 (the "Series 1993 Trust Agreement"), by and between the Capital Improvement
16 Corporation and the City, certificates of participation (the "Series 1993 Certificates") were
17 executed and delivered, evidencing and representing a proportionate, undivided interest
18 of the owners thereof in the Installment Payments to be made by the City pursuant to the
19 Installment Purchase Contract; and

20 WHEREAS, the City Council previously determined that it was in the best
21 interests of the City to issue short-term revenue certificates through the implementation of
22 a commercial paper program through the issuance of Subordinate Airport Revenue
23 Commercial Paper Notes, Series A (Governmental), Series B (Private Activity) and
24 Series C (Taxable) (the "Subordinate Commercial Paper Notes") in an aggregate
25 principal amount of not to exceed \$25 million at any one time outstanding to finance and
26 refinance ongoing capital maintenance and rehabilitation to the Airport; and

27 WHEREAS, in connection with the issuance from time to time of the
28 Subordinate Commercial Paper Notes, the City entered into the Master Subordinate Trust

1 Indenture, dated as of November 1, 2004, as amended (the "Master Subordinate
2 Indenture"), by and between the City and The Bank of New York Mellon Trust Company,
3 N.A. (formerly known as The Bank of New York Trust Company, National Association),
4 as trustee (the "Subordinate Trustee"), the First Supplemental Subordinate Trust
5 Indenture, dated as of November 1, 2004, as amended (the "First Supplemental
6 Subordinate Indenture"), the Second Supplemental Subordinate Trust Indenture, dated
7 as of June 1, 2008 (the "Second Supplemental Subordinate Indenture," and collectively
8 with the Master Subordinate Indenture and the First Supplemental Subordinate
9 Indenture, the "Subordinate Indenture"), by and between the City and the Subordinate
10 Trustee; and

11 WHEREAS, the Subordinate Indenture pledges and grants a subordinate
12 lien on Net Revenues to the obligations secured thereby (the "Subordinate Obligations");
13 and

14 WHEREAS, the City has issued, from time to time, its Subordinate Airport
15 Revenue Commercial Paper Notes, Series A (the "Series A Subordinate Commercial
16 Paper Notes"), to finance certain capital improvements and project design costs at the
17 Airport; and

18 WHEREAS, the City has determined that in order to take advantage of
19 certain provisions of the American Recovery and Reinvestment Act of 2009, signed into
20 law on February 17, 2009 by President Obama (the "Recovery Act") the City intends to
21 take the necessary action pursuant to another City Resolution to amend certain
22 provisions of the Subordinate Indenture by approving a Third Supplemental Subordinate
23 Trust Indenture to be entered into by and between the City and the Trustee; and

24 WHEREAS, if determined by a Designated Officer (as hereinafter defined)
25 to be advantageous to the City and the Airport, the City of Long Beach, California Senior
26 Airport Revenue Bonds, Series 2009A (the "Series 2009A Bonds") will be issued in order
27 to, (a) finance certain capital expenditures related to and arising from the design,
28 acquisition, construction, equipping and improving of certain Airport parking facilities and

1 related structures (the "Parking Facility Project"), (b) reimburse the City for expenditures
2 previously incurred by the City in connection with the Parking Facility Project, (c) fund
3 capitalized interest on the Series 2009A Bonds, if determined by a Designated Officer to
4 be necessary or desirable, (d) current refund a portion of the outstanding Series A
5 Subordinate Commercial Paper Notes previously issued to pay a portion of the costs of
6 financing the Parking Facility Project, (e) fund a reserve fund or purchase a reserve fund
7 surety bond for the Series 2009A Bonds, (f) purchase a municipal bond insurance policy
8 or policies, if it is determined by a Designated Officer that the purchase of a municipal
9 bond insurance policy or policies results in savings to the City, and (g) pay the costs of
10 issuance of the Series 2009A Bonds; and

11 WHEREAS, the City Council has determined that it is in the best interests of
12 the City to issue its City of Long Beach, California Senior Airport Revenue Refunding
13 Bonds, Series 2009B (the "Series 2009B Bonds") in order to (a) prepay all or a portion of
14 the Installment Payments due under the Installment Purchase Contract and
15 simultaneously cause the current refunding and defeasance of all or a portion of the
16 Series 1993 Certificates (the "Refunded Series 1993 Certificates"), (b) fund a reserve
17 fund or purchase a reserve fund surety bond for the Series 2009B Bonds, (c) purchase a
18 municipal bond insurance policy or policies, if it is determined by a Designated Officer
19 that the purchase of a municipal bond insurance policy or policies results in savings to
20 the City, and (d) pay the costs of issuance of the Series 2009B Bonds; and

21 WHEREAS, if determined by a Designated Officer to be advantageous to
22 the City and the Airport, the City of Long Beach, California Senior Airport Revenue
23 Bonds, Series 2009C (the "Series 2009C Bonds" and together with the Series 2009A
24 Bonds and the Series 2009B Bonds, the "Series 2009 Bonds") will be issued as "Build
25 America Bonds (Direct Payment)" as authorized under the Recovery Act in order to, (a)
26 finance certain capital expenditures related to and arising from the design, acquisition,
27 construction, equipping and improving of certain Airport parking facilities and related
28 structures (the "Parking Facility Project"), (b) reimburse the City for expenditures

1 previously incurred by the City in connection with the Parking Facility Project, (c) fund
2 capitalized interest on the Series 2009C Bonds, if determined by a Designated Officer to
3 be necessary or desirable, (d) fund a reserve fund or purchase a reserve fund surety
4 bond for the Series 2009C Bonds, (e) purchase a municipal bond insurance policy or
5 policies, if it is determined by a Designated Officer that the purchase of a municipal bond
6 insurance policy or policies results in savings to the City, and (f) pay the costs of
7 issuance of the Series 2009C Bonds; and

8 WHEREAS, the Series 2009 Bonds will be issued pursuant to the Charter,
9 the Municipal Code, the Master Senior Indenture and the First Supplemental Senior
10 Indenture (as hereinafter defined); and

11 WHEREAS, the Series 2009A Bonds, if issued, and the Series 2009B
12 Bonds will be issued so that the interest paid on the Series 2009A Bonds and the Series
13 2009B Bonds will be excluded from the gross income of the recipients thereof under the
14 varying provisions of the Internal Revenue Code of 1986, as amended, and the
15 regulations promulgated thereunder or related thereto (collectively, the "Code"); and

16 WHEREAS, if Series 2009C Bonds are issued, then the City wishes to
17 irrevocably elect to issue the Series 2009C Bonds as Qualified Bonds (as defined in
18 Section 54AA of the Code) and to apply Section 54AA(g) of the Code to the Series
19 2009C Bonds and to receive all federal direct payments (as described in Section 54AA(g)
20 and Section 6431 of the Code) made with respect to the Series 2009C Bonds; and

21 WHEREAS, the interest paid on the Series 2009C Bonds, if issued, will be
22 included in gross income of the recipients thereof under the provisions of the Code; and

23 WHEREAS, in connection with the execution and delivery of the Master
24 Senior Indenture and the current refunding and defeasance of the Refunded Series 1993
25 Certificates, the City Council has determined that it is in the best interests of the City to
26 make certain amendments to the Master Subordinate Indenture, such amendments being
27 as set forth in the Fourth Supplemental Subordinate Indenture (as hereinafter defined);
28 and

1 WHEREAS, there have been presented to the City Council the following
2 documents:

3 (a) a form of the Master Senior Trust Indenture (the "Master
4 Senior Indenture"), by and between the City and The Bank of New York Mellon
5 Trust Company, N.A., as trustee (the "Senior Trustee");

6 (b) a form of the First Supplemental Senior Trust Indenture (the
7 "First Supplemental Senior Indenture"), by and between the City and the Senior
8 Trustee;

9 (c) a form of the Bond Purchase Agreement (the "Bond Purchase
10 Agreement"), by and between J.P. Morgan Securities Inc., on its own behalf and
11 on behalf of E.J. De La Rosa & Co., Inc. (collectively, the "Underwriters") and the
12 City with respect to the purchase and sale of the Series 2009 Bonds;

13 (d) a form of the Continuing Disclosure Certificate (the
14 "Continuing Disclosure Certificate") by the City;

15 (e) a form of the Preliminary Official Statement (including the
16 Report of the Airport Consultant, prepared by Ricondo & Associates, Inc., to be
17 contained therein as Appendix A) (the "Preliminary Official Statement") relating to
18 the Series 2009 Bonds;

19 (f) a form of the Escrow Agreement (the "Escrow Agreement"),
20 by and among the City and U.S. Bank National Association, as escrow agent and
21 successor paying agent for the Series 1993 Certificates; and

22 (g) a form of the Fourth Supplemental Subordinate Trust
23 Indenture, (the "Fourth Supplemental Subordinate Indenture") by and between the
24 City and the Subordinate Trustee; and

25 WHEREAS, said documents will be modified and amended to reflect the
26 various details applicable to the Series 2009 Bonds and said documents are subject to
27 completion to reflect the results of the sale of the Series 2009 Bonds; and

28 NOW, THEREFORE, the City Council of the City of Long Beach resolves as

1 follows:

2 Section 1. Issuance of the Series 2009 Bonds; Terms of the Series 2009
3 Bonds. Subject to the provisions of this Resolution and for the purposes set forth in the
4 foregoing recitals, the City Council hereby authorizes the issuance by the City of its
5 Series 2009 Bonds in an aggregate principal amount not to exceed \$65 million, plus the
6 amount of any original issue premium at which the Series 2009 Bonds may be sold. The
7 Series 2009 Bonds shall bear interest at such rates with respect to the various maturities
8 such that the true interest cost for the Series 2009 Bonds does not exceed 8.00% per
9 annum, and no Series 2009 Bond shall have a maturity greater than 35 years. The true
10 interest cost shall be that rate which, when used in computing the present worth of all
11 payments of principal and interest to be paid on the Series 2009 Bonds (compounded on
12 the first interest payment date, and semiannually thereafter), produces an amount equal
13 to the purchase price of the Series 2009 Bonds taking into account any original issue
14 premium/discount, accrued interest, underwriters' fees and any and all costs of issuance
15 of the Series 2009 Bonds.

16 The Series 2009 Bonds shall be in fully registered form and may be issued
17 as Book-Entry Bonds as provided for in the Master Senior Indenture and the First
18 Supplemental Senior Indenture. Payment of principal and premium, if any, of, and
19 interest on the Series 2009 Bonds shall be made at the place or places and in the
20 manner provided in the Master Senior Indenture and the First Supplemental Senior
21 Indenture. The Series 2009 Bonds shall be payable in accordance with the provisions of
22 the Master Senior Indenture and the First Supplemental Senior Indenture solely from the
23 Net Revenues and such other amounts, funds and accounts provided for in the Master
24 Senior Indenture and the First Supplemental Senior Indenture.

25 The Series 2009 Bonds shall be issued as current interest bonds in
26 authorized denominations of \$5,000 and integral multiples thereof. The Series 2008A
27 Bonds shall, when issued, be in the aggregate principal amounts and shall be dated as
28 shall be provided in the Master Senior Indenture and the First Supplemental Senior

1 Indenture. The Series 2009 Bonds may be issued as serial bonds or as term bonds or as
2 both serial bonds and term bonds, all as set forth in the Master Senior Indenture and the
3 First Supplemental Senior Indenture. Each maturity of Series 2009 Bonds shall bear
4 interest at a rate not in excess of 8.50% per annum. Interest on the Series 2009 Bonds
5 shall be paid on the dates set forth in the First Supplemental Senior Indenture. The
6 Series 2009 Bonds shall be subject to redemption at the option of the City on such terms
7 and conditions as shall be set forth in the Master Senior Indenture and the First
8 Supplemental Senior Indenture. The Series 2009 Bonds which are term bonds shall also
9 be subject to mandatory sinking fund redemption as shall be set forth in the Master
10 Senior Indenture and the First Supplemental Senior Indenture.

11 The Series 2009A Bonds, if issued, and the Series 2009B Bonds shall be
12 sold in a manner by which the interest thereon is excludable from gross income under the
13 Code.

14 If a Designated Officer determines that it will be advantageous to the City to
15 issue all or a portion of the new money senior revenue bonds as "Build America Bonds
16 (Direct Payment)", the Series 2009C Bonds shall be issued as "Build America Bonds
17 (Direct Payment)." If the Series 2009C Bonds are issued, the City hereby irrevocably
18 elects to issue the Series 2009C Bonds as Qualified Bonds (as defined in Section 54AA
19 of the Code) and to apply Section 54AA(g) of the Code to the Series 2009C Bonds and to
20 receive all federal direct payments (as described in Section 54AA(g) and Section 6431 of
21 the Code) made with respect to the Series 2009C Bonds. The Series 2009C Bonds shall
22 be sold in a manner by which the interest thereon is included in gross income under the
23 Code.

24 The proceeds from the sale of the Series 2009A Bonds, if issued, shall be
25 used by the City to (a) finance and refinance the Parking Facility Project, (b) reimburse
26 the City for expenditures previously incurred by the City in connection with the Parking
27 Facility Project, (c) fund capitalized interest on the Series 2009A Bonds, if determined by
28 a Designated Officer to be necessary or desirable, (d) current refund a portion of the

1 outstanding Series A Subordinate Commercial Paper Notes previously issued to pay a
2 portion of the costs of financing the Parking Facility Project, (e) fund a reserve fund or
3 purchase a reserve fund surety bond for the Series 2009A Bonds, (f) purchase a
4 municipal bond insurance policy or policies, if it is determined by a Designated Officer
5 that the purchase of a municipal bond insurance policy or policies results in savings to
6 the City, and (g) pay the costs of issuance of the Series 2009A Bonds.

7 The proceeds from the Series 2009B Bonds shall be used by the City to (a)
8 prepay all or a portion of the Installment Payments due under the Installment Purchase
9 Contract and simultaneously cause the current refunding and defeasance of all or a
10 portion of the Refunded Series 1993 Certificates, (b) fund a reserve fund or purchase a
11 reserve fund surety bond for the Series 2009B Bonds, (c) purchase a municipal bond
12 insurance policy or policies, if it is determined by a Designated Officer that the purchase
13 of a municipal bond insurance policy or policies results in savings to the City, and (d) pay
14 the costs of issuance of the Series 2009B Bonds.

15 The proceeds from the sale of the Series 2009C Bonds, if issued, shall be
16 used by the City to (a) finance and refinance the Parking Facility Project, (b) reimburse
17 the City for expenditures previously incurred by the City in connection with the Parking
18 Facility Project, (c) fund capitalized interest on the Series 2009C Bonds, if determined by
19 a Designated Officer to be necessary or desirable, (d) fund a reserve fund or purchase a
20 reserve fund surety bond for the Series 2009C Bonds, (e) purchase a municipal bond
21 insurance policy or policies, if it is determined by a Designated Officer that the purchase
22 of a municipal bond insurance policy or policies results in savings to the City, and (f) pay
23 the costs of issuance of the Series 2009C Bonds.

24 Section 2. Pledge to Secure the Series 2009 Bonds. Net Revenues and
25 the other security set forth in the Granting Clause of the Master Senior Indenture are
26 hereby irrevocably pledged in accordance with the terms of the Master Senior Indenture
27 and the First Supplemental Senior Indenture to secure the Series 2009 Bonds and any
28 additional bonds which may be subsequently issued under and secured by the terms of

1 the Master Senior Indenture. Except for the Installment Payments, the City hereby
2 confirms that is has not previously granted any prior or parity interest in the Net
3 Revenues. The City hereby agrees that it will not, so long as the Series 2009 Bonds
4 remain outstanding, grant or attempt to grant any parity pledge, lien or other interest in
5 the Net Revenues to secure any other obligations of the City except as permitted in the
6 Master Senior Indenture. The City hereby approves the pledge to secure the
7 Series 2009 Bonds as set forth in the Master Senior Indenture and the First
8 Supplemental Senior Indenture. The CFO/Director of Financial Management or the City
9 Treasurer of the City are hereby authorized and directed to institute such accounting
10 policies and modifications as the CFO/Director of Financial Management or the City
11 Treasurer deems necessary to provide for the accounting of revenues and expenses
12 contemplated by the Master Senior Indenture and the First Supplemental Senior
13 Indenture.

14 Section 3. Special Limited Obligations. The Series 2009 Bonds shall be
15 special limited obligations of the City, payable solely from and secured by a pledge of Net
16 Revenues derived by the City from the operations of the Enterprise (as defined in the
17 Master Senior Indenture, which includes the Airport and all operations of the Airport,
18 including all of its revenue producing functions, facilities and properties, whether or not
19 directly related to the air transportation of people and goods) and such other amounts,
20 funds and accounts pledged therefor under the Master Senior Indenture and the First
21 Supplemental Senior Indenture. None of the properties of the Enterprise shall be subject
22 to any mortgage or other lien for the benefit of the owners of the Series 2009 Bonds, and
23 neither the full faith and credit nor the taxing power of the City, the State of California (the
24 "State") or any political subdivision or agency of the State shall be pledged to the
25 payment of the principal of, premium, if any, or interest on the Series 2009 Bonds.
26 Neither the Series 2009 Bonds nor the obligation to pay principal of or interest thereon
27 shall constitute a debt of the City, the State or any of its political subdivisions within the
28 meaning of any Constitutional limitation on indebtedness.

1 Section 4. Form(s) of Bonds. The Series 2009 Bonds and the Senior
2 Trustee's certificate of authentication to appear thereon shall be in substantially the forms
3 set forth in the exhibits to the First Supplemental Senior Indenture, with such necessary
4 or appropriate variations, omissions and insertions as permitted or required by the Master
5 Senior Indenture and the First Supplemental Senior Indenture or as appropriate to
6 adequately reflect the terms of each series of the Series 2009 Bonds and the obligations
7 represented thereby.

8 Section 5. Execution of the Series 2009 Bonds. The Series 2009 Bonds
9 shall be executed on behalf of the City by either the City Manager, the CFO/Director of
10 Financial Management, the City Treasurer or any other Authorized City Representative
11 designated by the City Manager (each a "Designated Officer") and attested by the City
12 Clerk. Any such execution may be made by manual or facsimile signature, and each
13 Series 2009 Bond shall be authenticated by the signature of the Senior Trustee or an
14 agent of the Senior Trustee as required and permitted by the Master Senior Indenture
15 and the First Supplemental Senior Indenture. Any facsimile signature of such Designated
16 Officer shall have the same force and effect as if such Designated Officer had manually
17 signed each of such Series 2009 Bonds.

18 Section 6. Sale of Series 2009 Bonds. The City hereby authorizes the sale
19 of the Series 2009 Bonds through a private, negotiated sale to the Underwriters. The
20 Designated Officers, each acting alone, are hereby authorized to approve the final terms
21 of the sale of the Series 2009 Bonds subject to the terms, conditions and restrictions set
22 forth in this Resolution. The Series 2009 Bonds shall be sold with an underwriters'
23 discount and/or underwriting fee as set forth in the Bond Purchase Agreement, not to
24 exceed one percent (1.00%) of the aggregate principal amount of the Series 2009 Bonds,
25 and subject to the terms and conditions set forth in the Bond Purchase Agreement. The
26 Bond Purchase Agreement, in the form on file with the City Clerk, is hereby approved.
27 The Designated Officers, each acting alone, are hereby authorized, empowered and
28 directed to execute, acknowledge and deliver the Bond Purchase Agreement, including

1 counterparts thereof, in the name and on behalf of the City. The Bond Purchase
2 Agreement, as executed and delivered, shall be in substantially the form now before this
3 meeting and hereby approved, or with such changes therein as shall be approved by the
4 officer or officers executing such Bond Purchase Agreement, such execution to be
5 conclusive evidence of the City Council's approval of any and all changes or revisions
6 therein from the form of the Bond Purchase Agreement now before this meeting. The
7 City Council hereby authorizes the delivery and performance of the Bond Purchase
8 Agreement and from and after the execution and delivery of the Bond Purchase
9 Agreement, the officers, agents and employees of the City are hereby authorized,
10 empowered and directed to do all such acts and things and to execute all such
11 documents as may be necessary to carry out and comply with the provisions of the Bond
12 Purchase Agreement.

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

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

18 Section 9. Approval of Escrow Agreement. The Escrow Agreement, in the
19 form on file with the City Clerk, is hereby approved. The Designated Officers, each
20 acting alone, are hereby authorized, empowered and directed to execute, acknowledge
21 and deliver the Escrow Agreement, including counterparts thereof, in the name and on
22 behalf of the City. The Escrow Agreement, as executed and delivered, shall be in
23 substantially the form now before this meeting and hereby approved, or with such
24 changes therein as shall be approved by the officer or officers executing such Escrow
25 Agreement, such execution to be conclusive evidence of the City Council's approval of
26 any and all changes or revisions therein from the form of the Escrow Agreement now
27 before this meeting. The City Council hereby authorizes the delivery and performance of
28 the Escrow Agreement and from and after the execution and delivery of the Escrow

1 Agreement, the officers, agents and employees of the City are hereby authorized,
2 empowered and directed to do all such acts and things and to execute all such
3 documents as may be necessary to carry out and comply with the provisions of the
4 Escrow Agreement.

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

21 Section 11. Approval of Fourth Supplemental Subordinate Indenture. The
22 Fourth Supplemental Subordinate Indenture, in the form on file with the City Clerk, is
23 hereby approved. The Designated Officers, each acting alone, are hereby authorized,
24 empowered and directed to execute, acknowledge and deliver the Fourth Supplemental
25 Subordinate Indenture, including counterparts thereof, in the name and on behalf of the
26 City. The Fourth Supplemental Subordinate Indenture, as executed and delivered, shall
27 be in substantially the form now before this meeting and hereby approved, or with such
28 changes therein as shall be approved by the officer or officers executing such Fourth

Supplemental Subordinate Indenture, such execution to be conclusive evidence of the City Council's approval of any and all changes or revisions therein from the form of the Fourth Supplemental Subordinate Indenture now before this meeting; and the City Clerk is hereby authorized and directed to attest thereto. The City Council hereby authorizes the delivery and performance of the Fourth Supplemental Subordinate Indenture and from and after the execution and delivery of the Fourth Supplemental Subordinate Indenture, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Fourth Supplemental Subordinate Indenture.

Section 12. Approval of Preliminary Official Statement. The Preliminary Official Statement (including the Report of the Airport Consultant by Ricondo & Associates, Inc. to be contained therein as Appendix A) is hereby approved in substantially the form presented to and considered at this meeting (a form of which is on file with the City Clerk), with such changes therein as shall be approved by a Designated Officer. The Preliminary Official Statement shall be circulated (via printed format and/or electronic means) for use in offering and selling the Series 2009 Bonds at such time or times as a Designated Officer (after consultation with the City's financial advisors, bond counsel and disclosure counsel and such other advisors the City believes to be useful) shall determine that the Preliminary Official Statement is final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the omission of certain information described in paragraph (b)(1) of Rule 15c2-12, and any such action previously taken is hereby confirmed, ratified and approved. The Underwriters are hereby authorized to distribute (via printed format and/or electronic means) the Preliminary Official Statement, in connection with the offering and sale of the Series 2009 Bonds to the public. The Underwriters are hereby further authorized to distribute (via printed format and/or through electronic means) copies of the Airport Enterprise Fund's most recent annual audited financial statements and such other

1 financial statements of the Airport Enterprise Fund as a Designated Officer shall approve.

2 Section 13. Approval of Official Statement. Prior to the final delivery of the
3 Series 2009 Bonds, the City shall provide for the preparation, publication, execution and
4 delivery of a final Official Statement (including the Report of the Airport Consultant by
5 Ricondo & Associates, Inc. to be contained therein as Appendix A) relating to the
6 Series 2009 Bonds in substantially the form of the draft Preliminary Official Statement
7 presented to this meeting. Each Designated Officer, or any one of them, is hereby
8 authorized and directed to execute and deliver the final Official Statement, and any
9 supplements thereto, in the name of and on behalf of the City, and to make any changes
10 or revisions necessary to the Preliminary Official Statement in order for the final Official
11 Statement to meet the requirements of the City under the Bond Purchase Agreement.
12 The execution thereof shall constitute conclusive evidence of City Council's approval of
13 any and all changes or revisions therein from the form of the Preliminary Official
14 Statement now before this meeting. The Official Statement shall be circulated (via
15 printed format and/or electronic means) for use in selling the Series 2009 Bonds at such
16 time or times as a Designated Officer (after consultation with the City's financial advisors,
17 bond counsel and disclosure counsel and such other advisors the City believes to be
18 useful) shall determine that the Official Statement is a "final official statement" within the
19 meaning of Rule 15c2-12. The Underwriters are hereby authorized to distribute (via
20 printed format and/or electronic means) the Official Statement in connection with the
21 offering and sale of the Series 2009 Bonds to the public.

22 Section 14. Confirmation of Underwriters. The City Council hereby
23 confirms the selection of J.P. Morgan Securities Inc. ("J.P. Morgan") and E.J. De La Rosa
24 & Co. Inc, as the Underwriters of the Series 2009 Bonds.

25 J.P. Morgan has entered into an agreement with UBS Financial Services
26 Inc. ("UBS") for the retail distribution of certain municipal securities offerings at the
27 original issue prices. As compensation to UBS, J.P. Morgan will share a portion of its
28 underwriting compensation with respect to the Series 2009 Bonds with UBS. The City

Council hereby authorizes J.P. Morgan to invite UBS to participate as a retail distributor of the Series 2009 Bonds.

Section 15. Senior Trustee, Paying Agent and Registrar. The City Council hereby appoints The Bank of New York Mellon Trust Company, N.A., as Senior Trustee, paying agent and registrar for the Series 2009 Bonds. Such appointments shall be effective upon the issuance of the Series 2009 Bonds and shall remain in effect until the City shall, by supplemental indenture or by resolution, name a substitute or successor thereto.

Section 16. Escrow Agent. The City Council hereby appoints U.S. Bank National Association, as escrow agent in connection with the current refunding and defeasance of the Refunded Series 1993 Certificates. Such appointments shall be effective upon the issuance of the execution and delivery of the Escrow Agreement and shall remain in effect until the City shall, by supplemental indenture or by resolution, name a substitute or successor thereto.

Section 17. California Debt and Investment Advisory Commission and Notices. Each Designated Officer, or any one of them, on behalf of the City, is further authorized and directed to (a) cause written notice to be provided to the California Debt and Investment Advisory Commission (the "Commission") of the proposed sale of the Series 2009 Bonds, said notice to be provided in accordance with Section 8855, et seq. of the Government Code of the State of California, (b) file or cause to be filed the notice of final sale with said Commission, (c) file or cause to be filed the rebates and notices required under Sections 148(f) and 149(e) of the Code, (d) file or cause to be filed any notices of prior redemption with respect to the Refunded Series 1993 Certificates, and (e) file or cause to be filed such additional notices and reports as are deemed necessary or desirable by such Designated Officer in connection with the Series 2009 Bonds, and any prior notices are hereby ratified, confirmed and approved.

Section 18. Authorization for Provision for Senior Reserve Fund. A portion of the proceeds of the Series 2009 Bonds may be used to fund the Senior Reserve Fund

(as established pursuant to the Master Senior Indenture) and/or to pay the costs of a reserve fund surety bond or any other security device for the Senior Reserve Fund as set forth in the Master Senior Indenture and the First Supplemental Senior Indenture.

Section 19. Additional Authorization. The Designated Officers and all officers, agents and employees of the City, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the issuance of the Series 2009 Bonds and the execution and delivery of the Master Senior Indenture, the First Supplemental Senior Indenture, the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Escrow Agreement, the Fourth Supplemental Subordinate Indenture, the Preliminary Official Statement and the Official Statement and to carry out the terms thereof. All such actions taken by such Designated Officers and such other persons, for and on behalf of the City, pursuant to the authority of this Resolution, are hereby approved. The Designated Officers and all other officers, agents and employees of the City are further authorized and directed, for and on behalf of the City, to execute all papers, documents, certificates and other instruments that may be required in order to carry out the authority conferred by this Resolution, the Master Senior Indenture, the First Supplemental Senior Indenture, the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Escrow Agreement and the Fourth Supplemental Subordinate Indenture or to evidence said authority and its exercise. The foregoing authorization includes, but is in no way limited to, the direction (from time to time) by one or more Designated Officers of the investments in Permitted Investments (as defined in the Master Senior Indenture) and Authorized Investments (as defined in the Master Senior Indenture) of the proceeds of the Series 2009 Bonds and of the Net Revenues, including the execution and delivery of investment agreements related thereto, the execution by a Designated Officer and the delivery of tax compliance certificates as required by the Master Senior Indenture and the First Supplemental Senior Indenture, for the purpose of complying with the rebate and arbitrage requirements of the Code, any documents required by The Depository Trust Company in connection with the Book-Entry Bonds (as

1 defined in the First Supplemental Senior Indenture), any documents required by the
2 provider of a reserve fund surety bond, if any, required to fund one or more reserve funds
3 for the Series 2009 Bonds, and any documents required to obtain a municipal bond
4 insurance policy or policies for all or a portion of the Series 2009 Bonds to the extent
5 such bond insurance shall result in cost savings to the City.

6 Section 20. Costs of Issuance. The City authorizes funds on deposit in the
7 Airport Enterprise Fund, together with the proceeds of the Series 2009 Bonds, to be used
8 to pay costs of issuance of the Series 2009 Bonds, including, but not limited to, costs and
9 expenses of attorneys, consultants, accountants and financial advisors, underwriting
10 fees, costs associated with rating agencies, the Senior Trustee, the bond insurance and
11 surety bonds, printing, publications and mailing expenses; and any related filing fees
12 thereof.

13 Section 21. Series Designations Subject to Change. Prior to the posting
14 and printing of the Preliminary Official Statement, if a Designated Officer determines it to
15 be in the best interest of the City not to issued any one or more series of the Series 2009
16 Bonds, such Designated Officer shall have the authority to reassign the series
17 designations of the Series 2009 Bonds.

18 Section 22. Severability of Invalid Provisions. If any one or more of the
19 provisions contained in this Resolution shall for any reason be held to be invalid, illegal or
20 unenforceable in any respect, then such provision or provisions shall be deemed
21 severable from the remaining provisions contained in this Resolution and such invalidity,
22 illegality or unenforceability shall not affect any other provision of this Resolution, and this
23 Resolution shall be construed as if such invalid or illegal or unenforceable provision had
24 never been contained herein. The City Council hereby declares that it would have
25 adopted this Resolution and each and every Section, paragraph, sentence, clause or
26 phrase hereof and authorized the issuance of the Series 2009 Bonds pursuant thereto
27 irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or
28 phrases of this Resolution may be held illegal, invalid or unenforceable.

1 Section 23. Section Headings and References; Interpretation. The
2 headings or titles of the several Sections hereof, and any table of contents appended to
3 copies hereof, shall be solely for convenience of reference and shall not affect the
4 meaning, construction or effect of this Resolution.

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

10 Section 24. Governing Law. This Resolution shall be construed and
11 governed in accordance with the laws of the State of California.

12 Section 25. Contract. This Resolution, the Master Senior Indenture, the
13 First Supplemental Senior Indenture, and the pledge of Net Revenues contained herein
14 and therein, shall constitute a contract between the City and the holders of the
15 Series 2009 Bonds.

16 Section 26. Effective Date. This Resolution shall take effect immediately
17 upon its adoption by the City Council, and the City Clerk shall certify the vote adopting
18 this Resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of November 3, 2009, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk