

EXHIBIT A

SCHEDULE OF PROPERTY NO. 4

30957

Re: Equipment Lease-Purchase Agreement, dated as of October 24, 2008, between Bank of America, N.A., as Lessor, and City of Long Beach, as Lessee

1. **Defined Terms; Lease; Banc of America Public Capital Corp as Lessor.** Unless otherwise defined herein, all terms used herein have the meanings ascribed to them in the above-referenced Agreement. This Schedule constitutes a "Lease" for all purposes under the Agreement, and is by and between the Lessee and Banc of America Public Capital Corp, a Kansas corporation (the "Lessor"), an affiliate of Bank of America, N.A. ("BANA"). For all purposes under or with respect to this Schedule and any documents or instruments executed and delivered in connection herewith, each reference to "Lessor" contained herein and in the Agreement shall be deemed to be a reference to Banc of America Public Capital Corp, as Lessor hereunder.

2. **Equipment.** The following items of Equipment are hereby included under this Schedule of the Agreement.

Cisco Upgrade Financing Information

Hardware			
Item #	Product	Unit Price	Quantity
1	UC Upgrade-City Hall	\$ 266,280.10	1
2	EOC	\$ 50,701.80	1
3	Nortel Migration	\$ 343,190.13	1
Licenses			
Item #	Product	Unit Price	Quantity
1	UCSS for existing licenses	\$ 6,840.00	1
2	CUBEE licenses	\$ 28,712.80	1
Labor			
Item #	Product	Unit Price	Quantity
2	Professional Services	\$ 96,840.00	1
3	Training	\$ 3,150.00	4

3. **Payment Schedule.** The Rental Payments shall be in such amounts and payable on such dates as set forth in the Rental Payment Schedule attached to this Schedule as Exhibit B. Rental Payments shall commence on the date on which the Equipment listed in this Schedule is accepted by Lessee, as indicated in an Acceptance Certificate substantially in the form of Exhibit C to the Agreement or the date on which sufficient moneys to purchase the Equipment are deposited for that purpose with an Acquisition Fund Custodian, whichever is earlier.

4. **Prepayment Option Amount Schedule.** The Prepayment Option Amount on each Rental Payment date for the applicable Term in the Equipment listed in this Schedule shall be the

amount set forth for such Rental Payment date in the "Prepayment Option Amount" column of the Rental Payment Schedule attached to this Schedule. The Prepayment Option Amount is in addition to all Rental Payments then due under this Schedule (including the Rental Payment shown on the same line in the Rental Payment Schedule).

5. **Representations and Warranties.** Lessee hereby represents and warrants that its representations and warranties set forth in the Agreement are true and correct as though made on the date of commencement of Rental Payments on this Schedule. Lessee further represents and warrants that (a) no material adverse change in Lessee's financial condition has occurred since the date of the Agreement, (b) the governing body of Lessee has authorized the execution and delivery of the Agreement and the Leases pursuant to Council approval dated _____ (c) the Equipment described in the Agreement referenced above is essential to the functions of the Lessee or the services Lessee provides its citizens; (d) Lessee has immediate need for, and expects to make immediate use of, substantially all such Equipment, which will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions consistent with the permissible scope of its authority; and (e) Lessee expects and anticipates adequate funds to be available for all future payments or rent due after the current budgetary period.

6. **The Lease.** The terms and provisions of the Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.

7. **Purchase Price.** The Purchase Price which Lessor shall pay to the Acquisition Fund Custodian in connection with this Schedule is \$810,099.08, all of which is for deposit to the Acquisition Fund. It is expected that that by twelve (12) months from the date of this Schedule No. 4 Lessee will have taken possession of all items of Equipment shown above and that a Lessee's Acceptance Certificate, or Acceptance Certificates, will be signed by Lessee and delivered to Lessor on or before twelve (12) months from the date of this Schedule 3.

8. **Lease Term.** The Lease Term shall consist of the Original Term and (4) consecutive Renewal Terms, with the final Renewal Term ending on July 15, 2015.

9. **Utilization Period.** The Utilization Period applicable to this Schedule shall end no later than May 31, 2012.

10. **State.** For purposes of this Agreement, "State" means the State of California.

11. **Fiscal Period.** Lessee's current Fiscal Period extends from October 1, 2011 to September 30, 2012.

Dated: July 15, 2011

LESSOR:

Banc of America Public Capital Corp
555 California Street, 4th Floor
CA5-705-04-01
San Francisco, California 94104

By: *Eileen Harwell*
Name: Eileen Harwell
Title: Authorized Agent

LESSEE:

City of Long Beach
333 W. Ocean Boulevard, 11th Floor
Long Beach, California 90802-4664

By: *[Signature]* **Assistant City Manager**
EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.
Name: *Patrick H. West*
Title: *City Manager*

(Seal)

Attest:

By: *Lynn Hansen*
Name: Lynn Hansen
Title: City Clerk

Duplicate Original No. _____ of _____ manually executed and serially numbered duplicate originals. To the extent that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code), no security interest herein may be created through the transfer or possession of any Duplicate Original other than Duplicate Original No. 1.

APPROVED AS TO FORM
July 8, 20 *11*
ROBERT E. SHANNON, City Attorney
By *Gary J. Anderson*
GARY J. ANDERSON
DEPUTY CITY ATTORNEY

**EXHIBIT B
RENTAL PAYMENT SCHEDULE**

Rental Payment Number	Rental Payment Date	Rental Payment Amount	Interest Portion 1.9585%	Principal Portion	Balance	Prepayment Option Amount
0	7/15/2011	-	-	-	810,099.08	
1	8/15/2011	17,560.53	1,322.15	16,238.38	793,860.70	
2	9/15/2011	17,560.53	1,295.65	16,264.88	777,595.81	
3	10/15/2011	17,560.53	1,269.10	16,291.43	761,304.38	
4	11/15/2011	17,560.53	1,242.51	16,318.02	744,986.37	
5	12/15/2011	17,560.53	1,215.88	16,344.65	728,641.71	
6	1/15/2012	17,560.53	1,189.20	16,371.33	712,270.39	
7	2/15/2012	17,560.53	1,162.48	16,398.05	695,872.34	
8	3/15/2012	17,560.53	1,135.72	16,424.81	679,447.53	
9	4/15/2012	17,560.53	1,108.91	16,451.62	662,995.92	
10	5/15/2012	17,560.53	1,082.06	16,478.47	646,517.45	
11	6/15/2012	17,560.53	1,055.17	16,505.36	630,012.09	
12	7/15/2012	17,560.53	1,028.23	16,532.30	613,479.79	
13	8/15/2012	17,560.53	1,001.25	16,559.28	596,920.51	
14	9/15/2012	17,560.53	974.22	16,586.31	580,334.20	
15	10/15/2012	17,560.53	947.15	16,613.38	563,720.83	
16	11/15/2012	17,560.53	920.04	16,640.49	547,080.33	
17	12/15/2012	17,560.53	892.88	16,667.65	530,412.68	
18	1/15/2013	17,560.53	865.68	16,694.85	513,717.83	
19	2/15/2013	17,560.53	838.43	16,722.10	496,995.73	
20	3/15/2013	17,560.53	811.14	16,749.39	480,246.34	
21	4/15/2013	17,560.53	783.80	16,776.73	463,469.61	
22	5/15/2013	17,560.53	756.42	16,804.11	446,665.50	
23	6/15/2013	17,560.53	729.00	16,831.54	429,833.96	
24	7/15/2013	17,560.53	701.52	16,859.01	412,974.96	
25	8/15/2013	17,560.53	674.01	16,886.52	396,088.44	396,088.44
26	9/15/2013	17,560.53	646.45	16,914.08	379,174.35	379,174.35
27	10/15/2013	17,560.53	618.84	16,941.69	362,232.67	362,232.67
28	11/15/2013	17,560.53	591.19	16,969.34	345,263.33	345,263.33
29	12/15/2013	17,560.53	563.50	16,997.03	328,266.30	328,266.30
30	1/15/2014	17,560.53	535.76	17,024.77	311,241.52	311,241.52
31	2/15/2014	17,560.53	507.97	17,052.56	294,188.97	294,188.97
32	3/15/2014	17,560.53	480.14	17,080.39	277,108.58	277,108.58
33	4/15/2014	17,560.53	452.26	17,108.27	260,000.31	260,000.31
34	5/15/2014	17,560.53	424.34	17,136.19	242,864.12	242,864.12
35	6/15/2014	17,560.53	396.37	17,164.16	225,699.96	225,699.96
36	7/15/2014	17,560.53	368.36	17,192.17	208,507.79	208,507.79
37	8/15/2014	17,560.53	340.30	17,220.23	191,287.57	191,287.57
38	9/15/2014	17,560.53	312.20	17,248.33	174,039.23	174,039.23
39	10/15/2014	17,560.53	284.05	17,276.48	156,762.75	156,762.75
40	11/15/2014	17,560.53	255.85	17,304.68	139,458.07	139,458.07
41	12/15/2014	17,560.53	227.61	17,332.92	122,125.14	122,125.14
42	1/15/2015	17,560.53	199.32	17,361.21	104,763.93	104,763.93
43	2/15/2015	17,560.53	170.98	17,389.55	87,374.38	87,374.38
44	3/15/2015	17,560.53	142.60	17,417.93	69,956.45	69,956.45
45	4/15/2015	17,560.53	114.17	17,446.36	52,510.10	52,510.10
46	5/15/2015	17,560.53	85.70	17,474.83	35,035.27	35,035.27

47	6/15/2015	17,560.53	57.18	17,503.35	17,531.92	17,531.92
48	7/15/2015	17,560.53	28.61	17,531.92	0.00	0.00
TOTAL		842,905.48	32,806.40	810,099.08		

For purposes of this Lease, "Taxable rate," with respect to the interest component of Rental Payments, means an annual rate of interest equal to 3.0553%.

City of Long Beach

Assistant City Manager

By: _____

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

Name: _____

Patrick H. West

Title: _____

City Manager

APPROVED AS TO FORM

July 8, 20 *11*

ROBERT E. SHANNON, City Attorney

By _____

Mary J. Anderson
MARY J. ANDERSON
DEPUTY CITY ATTORNEY

Exhibit C

ACCEPTANCE CERTIFICATE

Banc of America Public Capital Corp
555 California Street, 4th Floor
San Francisco, California 94104

Re: Schedule of Property No. 4 dated as of March 11 2011, by and between Banc of America Public Capital Corp, as Lessor, and City of Long Beach, as Lessee, incorporating the terms of that certain Equipment Lease-Purchase Agreement dated as of October 24, 2008, by and between Bank of America, N.A. and Lessee

Ladies and Gentlemen:

In accordance with the Equipment Lease-Purchase Agreement (the "Agreement"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

1. All of the Equipment (as such term is defined in the Agreement) listed in the above-referenced Schedule of Property (the "Schedule") has been delivered, installed and accepted on the date hereof.

2. Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.

3. Lessee is currently maintaining the insurance coverage required by Paragraph 16 of the Agreement.

4. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.

Date: March 11, 2011

LESSEE: City of Long Beach

(Seal)

By: _____

Name: _____

Title: _____

Date: _____

Exhibit D

ATTACHMENT A
TO TAX CERTIFICATE

FORM 8038-G

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name CITY OF LONG BEACH		2 Issuer's employer identification number (EIN) [REDACTED]	
3 Number and street (or P.O. box if mail is not delivered to street address) 333 W. OCEAN BLVD., 6TH FLOOR		Room/suite	4 Report number (For IRS Use Only) 3
5 City, town, or post office, state, and ZIP code LONG BEACH, CA 90802		6 Date of issue July 15, 2011	
7 Name of issue Schedule of Property No.4 - Lease Purchase Agreement		8 CUSIP number	
9 Name and title of officer of the issuer or other person whom the IRS may call for more information David S. Nakamoto		10 Telephone number of officer or other person (562) 570-6845	

Part II Type of Issue (enter the issue price) See instructions and attach schedule

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ► Telephone System for Government	18		
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>			
If obligations are BANs, check only box 19b <input type="checkbox"/>			
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	July 15, 2015	\$ 810,099.08	\$	4 years	1.9585 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22		
23 Issue price of entire issue (enter amount from line 21, column (b))	23		
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26		
27 Proceeds used to currently refund prior issues	27		
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)	29		
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded . . . ►	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded . . . ►	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) . . . ►	_____
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	_____

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . .		
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)		
b	Enter the final maturity date of the GIC ▶ _____		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	
b	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____		
38	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input type="checkbox"/>
39	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
40	If the issuer has identified a hedge, check box		<input type="checkbox"/>

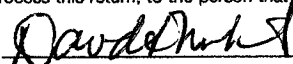
Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	 Signature of issuer's authorized representative	7/11/11 Date	DAVID NAKARATO TREASURER Type or print name and title	
Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code ▶	EIN	Phone no. ()	

EXHIBIT E

INSURANCE COVERAGE REQUIREMENTS

To Lessor: Bank of America, N.A.
555 California Street, 4th Floor
MAC CA5-705-04-01
San Francisco, CA 94104

From Lessee: City of Long Beach
333 W. Ocean Boulevard, 11th Floor
Long, Beach, CA 90802-4664

In accordance with Paragraph 16 of the Equipment Lease-Purchase Agreement dated as of October 24, 2008 (the "Agreement"), by and between Lessor and Lessee, Lessee shall deliver to Lessor a Certificate of Self-Insurance on Lessee's standard form providing evidence of coverage for:

- (a) Commercial general liability self-insurance equivalent in coverage scope to ISO CG 00 01 10 93 naming the Lessor as additional insured on a form equivalent in coverage scope to ISO CG 20 26 11 85 in an amount of \$250,000 per occurrence and \$500,000 general aggregate. Said insurance shall be primary insurance with respect to Lessor.
- (b) Special perils property coverage in an amount sufficient to cover the full replacement value of Lessee's property and equipment as delineated in Exhibit A or the applicable Prepayment Option Amount in Exhibit A, whichever is greater naming Lessor as additional insured and loss payee as its interests may appear.

The self-insurance program shall not be suspended, voided, changed, or canceled except after thirty (30) days prior written notice to Lessor, and shall be primary and not contributing to any other insurance or self-insurance maintained by Lessor.

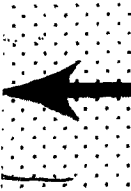
With respect to damage to property, Lessor and Lessee hereby waive all rights of subrogation, one against the other, but only to the extent that collectible commercial insurance is available for said damage. Lessee shall deliver to Lessor evidence of coverage for approval as to sufficiency and form prior to the Agreement hereunder.

LESSEE: City of Long Beach

By: _____
Name: _____
Title: _____
Date: _____

11 007 58 1111-28

RECEIVED
CITY OF LONG BEACH
NOV 11 2008



CITY OF LONG BEACH
CERTIFICATE OF SELF-INSURANCE



With respect to:

(Agreement Title/Program and subject/location) Equipment Lease-Purchase Agreement No. 30957 dated as of October 24, 2008
wherein the City of Long Beach is Lessee and Bank of America, N.A. is Lessor

City of Long Beach Program Coordinator Eugene Fong Phone (562) 570-5023
Treasury Operations Officer

Between the City of Long Beach and

Certificate Holder: Bank of America Leasing & Capital, LLC, Global Client Services & Operations, 555
(Name and Location) West California Street, 4th Floor, MAC CA 5-705-04-01, San Francisco, CA 94104

Contact Person Eileen Harwell, Vice President Phone (415) 765-1897
Fax (415) 343-0531

Copy to: Eugene Fong, Treasury Operations Officer

Type of Coverage: Commercial general liability equivalent in scope to CG 00 01 10 93 of \$250,000 per
occurrence and \$500,000 in aggregate

This coverage will terminate upon completion or satisfaction of the requirements of said Program or may be terminated sooner pursuant to terms of said Program. Coverage afforded hereunder is primary and any insurance or self-insurance of Certificate Holder shall not contribute with it.

If any of the coverages described in this Certificate are changed or withdrawn, the City of Long Beach will mail the Certificate Holder thirty (30) days prior written notice by registered mail, but failure to mail such notice shall impose no obligation or liability of any kind upon the City of Long Beach, its officials, agents or employees.

This Certificate of Self-Insurance is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage evidenced herein.

Additional Interest: Bank of America, N.A., Bank of America Public Capital Corp., and their Officers, Agents, and Employees are additional covered interests with respect to activities of the City under the said Agreement/Program per the attached endorsement.

For further information or in the event of a claim, contact:

City of Long Beach
Attn: Risk Management
333 West Ocean Blvd., 10th Floor
Long Beach, CA 90802
(562) 570-6754
(562) 570-5375 (fax)

Certified by:

Michael Alio
Michael Alio
Risk Manager

Certificate no. 2011-032C

Coverage period: Oct. 24, 2008 to Dec. 31, 2013

This voids and supercedes Cert. No. 2009-054C.

Date issued: April 5, 2011

CITY OF LONG BEACH
ADDITIONAL COVERED INTEREST ENDORSEMENT
TO CERTIFICATE NO. 2011-032C



Additional Covered Interest:

Bank of America, N.A., Banc of America Public Capital Corp., and their Officers,
Agents, and Employee.

With Respect to (Agreement or Program):

Equipment Lease-Purchase Agreement No. 30957 dated as of October 24, 2008 wherein
the City of Long Beach is Lessee and Bank of America, N.A. is Lessor

The additional interest coverage provided by this endorsement applies only with respect to liability arising out of activities of the City of Long Beach with respect to the above described Agreement or Program, provided that such liability is due to the sole negligence of the City. In no event shall this endorsement extend the limits provided in the certificate of self-insurance, or amend the coverage provided in the certificate of self-insurance except as to the additional interest coverage stated herein.

Certified by:

Michael Alio
Risk Manager

Coverage Period*: 10/24/08 to 12/31/13

**unless coverage is terminated sooner pursuant to the terms and conditions of the Agreement or Program.*

Endorsement no. 2011-032E
voids and supercedes End. No. 2009-054E.

Date issued: April 5, 2011 This



CITY OF LONG BEACH

R-28

DEPARTMENT OF TECHNOLOGY SERVICES

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6455 • FAX (562) 570-5270

May 17, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute agreements with SIGMAnet and PAETEC, and related financing documents with Banc of America Public Capital Corporation, for telecommunications equipment and licenses in an approximate amount of \$852,000, including interest, payable over a four-year period, or \$213,000 annually. (Citywide)

DISCUSSION

The Technology Services Department (TSD) is in the process of modernizing the City's telephone and voice mail systems to Voice over Internet Protocol (VoIP) technology. Currently, TSD supports 2,700 VoIP devices and 3,300 devices that use traditional phone technology. Transitioning the City's entire phone system to VoIP, coupled with the conversion to SIP technology (an Internet protocol commonly used with VoIP telephone systems) would be a significant advancement that provides many benefits including:

- Lower ongoing telecommunications service provider costs
- Greater functionality for phone users
- Improved disaster recovery capabilities.

Over the past few years, TSD has standardized on Cisco Systems technologies for our current VoIP system. This request is to upgrade our Cisco equipment to support citywide use and enable the City to achieve the benefits identified above.

In April 2010, a Request for Proposals (RFP) for the Cisco unified communications system upgrade was advertised on the City website, notifying 169 potential proposers to secure the most favorable pricing for this acquisition. Of those proposers, 31 downloaded the RFP via the electronic bid system. The RFP document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update on Open Bid Opportunities, which

HONORABLE MAYOR AND CITY COUNCIL

May 17, 2011

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is sent to 30 local, minority and women's business groups. In response, we received two proposals. Of the proposers, none were Minority-owned Business Enterprises (MBEs), none were Woman-owned Business Enterprises (WBEs), none were Small Business Enterprises (SBEs), and none were Long Beach Businesses (Local).

Based on a thorough evaluation of the proposals, staff recommends the lowest cost proposal from SIGMAnet be selected in the amount of \$811,000 for the Cisco equipment and licenses required for the upgrade; and PAETEC for the Session Initial Protocol (SIP) trunks. There would be two SIP circuits installed, one at City Hall and one at the Emergency Communications and Operations Center (ECOC), creating redundancy in the system for failover and resiliency.

Moreover, using SIP technology would also allow the City to substantially lower its local and long distance calling costs. Staff estimates \$168,000 in annual savings resulting from this upgrade. This annual savings would pay for the system upgrade in approximately five years.

Authorization is also requested to finance the purchase through the Banc of America Master Lease Agreement presented to the City Council for approval on May 10, 2011. Lease financing provides a cost-effective alternative to facilitate the timely replacement of essential capital assets to meet immediate service demands when funding is not available for an outright purchase.

This matter was reviewed by Deputy City Attorney Gary Anderson on April 19, 2011 and by Budget Management Officer Victoria Bell on April 21, 2011.

TIMING CONSIDERATIONS

City Council action is requested on May 17, 2011 to ensure the timely upgrade of the current phone system and enable the City to achieve the benefits as soon as possible.

FISCAL IMPACT

The total amount to be financed (principal amount) under the Banc of America Public Capital Corporation agreement will not exceed \$811,000 and will be financed over a four-year period at an estimated 2.4 percent. Total debt service costs (principal and interest) for the agreement will be approximately \$851,361. Of that amount approximately \$53,210 will be paid in FY 11. Costs for provision of telephone services are recovered from client departments via TSD's MOU allocation. There would be no increase in department MOUs from this project. Sufficient funds have been budgeted in the General Services Fund (IS 385) and in the Technology Services Department (TS) to support this activity. There is no local job impact associated with this recommendation.

HONORABLE MAYOR AND CITY COUNCIL
May 17, 2011
Page 3

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



**CURTIS TANI
DIRECTOR OF TECHNOLOGY SERVICES**

APPROVED:



**PATRICK H. WEST
CITY MANAGER**

File #	Ver.	Agenda #	Name	Type	Title	Action	Result	Action Details	Video
					West for design and construction of the Phase II portion of the Shoreline Marina Fuel Dock and Underground Storage Tank (UST) Improvement Project, increase the contract price by an estimated amount of \$1,606,407, and execute all documents necessary for the implementation and administration of the Project; and Increase appropriations in the Marina Fund (TF 403) in the Department of Parks, Recreation and Marine (PRM), by \$1,839,815 for construction and construction support costs related to this Project. (District 2)				
11-0480	1	28.	TS-Telecommunications Equipment	Contract	Recommendation to authorize City Manager to execute agreements with SIGMANet and PAETEC, and related financing documents with Banc of America Public Capital Corporation, for telecommunications equipment and licenses in an approximate amount of \$852,000, including interest, payable over a four-year period, or \$213,000 annually. (Citywide)	approve recommendation	Pass	Action details	Video
11-0491	1	29.	CD7-Wrigley Heights Dog Park Naming	Agenda Item	Recommendation that City Council concur in recommendation of the Housing and Neighborhoods Committee to name the dog park to be opened at 3401 Golden Avenue in the Wrigley Heights community the "Wrigley Heights Dog Park." (District 7)	approve recommendation and refer	Pass	Action details	Video

POWERED BY
Legistar InSite™

Robert Garcia, 1st District
Suja Lowenthal, Vice Mayor, 2nd District
Gary DeLong, 3rd District
Patrick O'Donnell, 4th District



Gerrie Schipske, 5th District
Dee Andrews, 6th District
James Johnson, 7th District
Rae Gabelich, 8th District
Steven Neal, 9th District

Patrick H. West, City Manager
Larry G. Herrera, City Clerk

Bob Foster, Mayor

Robert E. Shannon, City Attorney

**AN EXCERPT FROM THE MINUTES OF
THE LONG BEACH CITY COUNCIL MEETING
HELD TUESDAY, MAY 17, 2011**

REGULAR AGENDA: (7:12 PM)


28. 11-0480 Recommendation to authorize City Manager to execute agreements with SIGMAnet and PAETEC, and related financing documents with Banc of America Public Capital Corporation, for telecommunications equipment and licenses in an approximate amount of \$852,000, including interest, payable over a four-year period, or \$213,000 annually. (Citywide)

A motion was made by Councilman Andrews, seconded by Councilmember Garcia, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Garcia, Lowenthal, Andrews, Johnson and Neal

Absent: 4 - DeLong, O'Donnell, Schipske and Gabelich

CERTIFIED AS A TRUE AND CORRECT COPY



CITY CLERK OF THE CITY OF LONG BEACH

BY 

DATE: 7/8/11



CITY OF LONG BEACH

R-28

DEPARTMENT OF TECHNOLOGY SERVICES

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6455 • FAX (562) 570-5270

May 17, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute agreements with SIGMAnet and PAETEC, and related financing documents with Banc of America Public Capital Corporation, for telecommunications equipment and licenses in an approximate amount of \$852,000, including interest, payable over a four-year period, or \$213,000 annually. (Citywide)

DISCUSSION

The Technology Services Department (TSD) is in the process of modernizing the City's telephone and voice mail systems to Voice over Internet Protocol (VoIP) technology. Currently, TSD supports 2,700 VoIP devices and 3,300 devices that use traditional phone technology. Transitioning the City's entire phone system to VoIP, coupled with the conversion to SIP technology (an Internet protocol commonly used with VoIP telephone systems) would be a significant advancement that provides many benefits including:

- Lower ongoing telecommunications service provider costs
- Greater functionality for phone users
- Improved disaster recovery capabilities.

Over the past few years, TSD has standardized on Cisco Systems technologies for our current VoIP system. This request is to upgrade our Cisco equipment to support citywide use and enable the City to achieve the benefits identified above.

In April 2010, a Request for Proposals (RFP) for the Cisco unified communications system upgrade was advertised on the City website, notifying 169 potential proposers to secure the most favorable pricing for this acquisition. Of those proposers, 31 downloaded the RFP via the electronic bid system. The RFP document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update on Open Bid Opportunities, which

Respectfully submitted,

is sent to 30 local, minority and women's business groups. In response, we received two proposals. Of the proposers, none were Minority-owned Business Enterprises (MBEs), none were Woman-owned Business Enterprises (WBEs), none were Small Business Enterprises (SBEs), and none were Long Beach Businesses (Local).

Based on a thorough evaluation of the proposals, staff recommends the lowest cost proposal from SIGMAnet be selected in the amount of \$811,000 for the Cisco equipment and licenses required for the upgrade; and PAETEC for the Session Initial Protocol (SIP) trunks. There would be two SIP circuits installed, one at City Hall and one at the Emergency Communications and Operations Center (ECOC), creating redundancy in the system for failover and resiliency.

Moreover, using SIP technology would also allow the City to substantially lower its local and long distance calling costs. Staff estimates \$168,000 in annual savings resulting from this upgrade. This annual savings would pay for the system upgrade in approximately five years.

Authorization is also requested to finance the purchase through the Banc of America Master Lease Agreement presented to the City Council for approval on May 10, 2011. Lease financing provides a cost-effective alternative to facilitate the timely replacement of essential capital assets to meet immediate service demands when funding is not available for an outright purchase.

This matter was reviewed by Deputy City Attorney Gary Anderson on April 19, 2011 and by Budget Management Officer Victoria Bell on April 21, 2011.

TIMING CONSIDERATIONS

City Council action is requested on May 17, 2011 to ensure the timely upgrade of the current phone system and enable the City to achieve the benefits as soon as possible.

FISCAL IMPACT

The total amount to be financed (principal amount) under the Banc of America Public Capital Corporation agreement will not exceed \$811,000 and will be financed over a four-year period at an estimated 2.4 percent. Total debt service costs (principal and interest) for the agreement will be approximately \$851,361. Of that amount approximately \$53,210 will be paid in FY 11. Costs for provision of telephone services are recovered from client departments via TSD's MOU allocation. There would be no increase in department MOUs from this project. Sufficient funds have been budgeted in the General Services Fund (IS 385) and in the Technology Services Department (TS) to support this activity. There is no local job impact associated with this recommendation.

HONORABLE MAYOR AND CITY COUNCIL
May 17, 2011
Page 3

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CURTIS TANI
DIRECTOR OF TECHNOLOGY SERVICES

APPROVED:



PATRICK H. WEST
CITY MANAGER



OFFICE OF THE CITY ATTORNEY
Long Beach, California

ROBERT E. SHANNON
City Attorney

HEATHER A. MAHOOD
Chief Assistant City Attorney

MICHAEL J. MAIS
Assistant City Attorney

July 8, 2011

PRINCIPAL DEPUTIES

Dominic Holzhaus
Anne C. Lattime
Monte H. Machit
J. Charles Parkin

DEPUTIES

C. Geoffrey Allred
Gary J. Anderson
Richard F. Anthony
Amy R. Burton
Christina L. Checel
Randall C. Fudge
Charles M. Gale
Barbara J. McTigue
Barry M. Meyers
Cristyl Meyers
Howard D. Russell
Tiffani L. Shin
Linda Trang
Theodore B. Zinger

Banc of America Public Capital Corp
555 California Street, 4th Floor
San Francisco, California 94104

RE: Schedule of Property No. 4 dated as of July 15, 2011, by and between Banc of America Public Capital Corp, as Lessor and City of Long Beach, as Lessee, incorporating the terms of that certain Equipment Lease-Purchase Agreement dated as October 24, 2008, by and between Bank of America, N.A., as Lessor, and City of Long Beach, as Lessee

Ladies and Gentlemen:

As legal counsel for the City of Long Beach ("Lessee"), I have examined (a) an executed counterpart of a certain Equipment Lease-Purchase Agreement, dated as of October 24, 2008, and Exhibits thereto, by and between Bank of America, N.A. and Lessee (the "Agreement") and an executed counterpart of Schedule of Property No. 4, dated as of July 15, 2011, by and between Bank of America Public Capital Corp ("Lessor") and Lessee (the "Schedule"), which, among other things incorporates the terms of the Agreement and provides for the lease of certain property listed in the Schedule (the "Equipment"), and a certain acquisition Fund and Account Control Agreement among Lessor, Lessee and Union Bank of California, NA, as Acquisition Fund Custodian, dated as of July 15, 2011, (b) an executed counterpart of the ordinances or resolutions of Lessee which among other things, authorize Lessee to execute the Agreement and the Schedule and such other opinions, documents and matters of law as I have deemed necessary in connection with this opinion. The Schedule and the terms and provisions of the Agreement incorporated therein by reference together with the Rental Payment Schedule attached to the Schedule are herein referred to collectively as the "Lease", and the Lease and the Acquisition Fund and Account Control Agreement are referred to collectively as the "transaction Documents".

Based on the foregoing, I am of the following opinions:

1. Lessee is a municipal corporation, duly organized and existing under the laws of the State, and is a political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code"), and the obligations of Lessee under the Agreement will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code.

2. Lessee has the power and authority to lease and acquire the Equipment and to execute and deliver the Lease and to perform its obligations under the Lease.

3. The Lease has been duly authorized, approved, executed and delivered by and on behalf of Lessee and the Lease is a valid and binding obligation of Lessee enforceable in accordance with its terms.

4. The authorization, approval, execution and delivery of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state or federal laws.

5. To the best of my knowledge, there is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Lease or the security interest of Lessor or its assigns, as the case may be, in the Equipment thereunder.

All capitalized terms herein shall have the same meanings as in the Lease unless other provided herein. Lessor and its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the Rental Payments, are entitled to rely on this opinion.

Very truly yours,

ROBERT E. SHANNON, City Attorney

By:


GARY J. ANDERSON
Deputy City Attorney



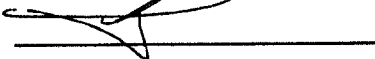
EXHIBIT H

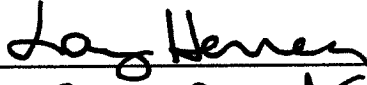
INCUMBENCY CERTIFICATE

The undersigned City Clerk of The City of Long Beach as Lessee certifies as follows:

A. The following listed persons are duly appointed/elected and acting officials of Lessee (the "Officials") in the capacity set forth opposite their respective names below and that the facsimile signatures are true and correct as of the date hereof;

B. The Officials are duly authorized, on behalf of Lessee, to negotiate, execute and deliver the Equipment Lease-Purchase Agreement dated as of October 24, 2008, by and between Lessee and Bank of America, N.A. and the Schedule(s) thereunder and all future Schedule(s) (the "Agreements") by and between Lessee and Banc of America Public Capital Corp, and these Agreements are binding and authorized Agreements of Lessee, enforceable in all respects in accordance with their terms.

Name of Official	Title	Signature
<u>David Nakamoto</u>	<u>City Treasurer</u>	<u></u>
<u>Daniel Thurber</u>	<u>Treasurer Ops Officer</u>	<u></u>
<u>Eugene Fong</u>	<u>Treasurer Ops Officer</u>	<u></u>

Dated _____ By 
Title City Clerk

(The signer of this Certificate cannot be listed above as authorized to execute the Agreements.)

AMENDMENT NO 1 TO EQUIPMENT LEASE PURCHASE AGREEMENT

This AMENDMENT NO.1 to Equipment Lease-Purchase Agreement dated as of October 24, 2008, is entered into as of July 15, 2011, between BANC OF AMERICA PUBLIC CAPITAL CORP, as Lessor, and CITY OF LONG BEACH as Lessee.

WHEREAS, Lessor and Lessee, have entered into an Equipment Lease-Purchase Agreement dated as of October 24, 2008 (the "Master Lease"); (all defined terms therein not otherwise defined herein are used with the meanings defined therein); and

WHEREAS, Lessor and Lessee now desire to amend the Lease hereinafter set forth.

NOW, THEREFORE, the parties hereto agree as follows:

1. Section 25. Repossession and Lessor's Other Rights Upon Event of Default or Event of Nonappropriation, shall be amended by inserting the following paragraph after the third paragraph in Section 25 as follows:

"Upon return of the Equipment following an Event of Nonappropriation, Lessee shall cease all use of the Equipment, shall remove all copies of the software relating to the Cisco Upgrade financed hereunder from any and all servers of Lessee, shall provide to Lessor an accounting of the steps taken with respect to such removal and allow Lessor, or its third party agent, reasonable access, in accordance with any legal limitations, to Lessee's computer systems to audit and verify such compliance. If Lessee has not complied with the terms of this paragraph, and the other provisions relating to the return of equipment following an Event of Nonappropriation, Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Lease Payments which would have accrued, when calculated on a daily basis, for the period during which Lessee fails to comply with this paragraph and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions as required. "

2. Ratification of Master Lease and Lease. Except as expressly modified and superseded by this Amendment, the Master Lease and Lease are ratified and confirmed in all respects and shall continue in full force and effect.

3. Tax Matters. Lessee has complied and will continue to comply with the tax covenants set forth in Section 12 of the Lease. The amendments to the Lease set forth herein are not inconsistent with such tax covenants. Lessee agrees that it will calculate and make, or cause to be calculated or made, payments of any rebate in the amounts and at the times and in the manner provided in Section 148 (f) of the Internal Revenue Code, pursuant to the provisions of the Lease

4. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together

shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be as effective as delivery of a manually executed counterpart of this Amendment.

5. Successors and Assigns; Third Parties. This Amendment shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective permitted successors and assigns. No third party beneficiaries are intended in connection with this Amendment.

6. Severability. If any term or provision of this Amendment shall be deemed prohibited or invalid under applicable law, such provision shall be invalidated without affecting the remaining provisions of this Amendment or the Master Lease or the Lease, respectively.

7. Entire Agreement. This Amendment, together with the Master Lease [and the Lease], contains the entire and exclusive agreement of the parties hereto with reference to the matters discussed herein and therein. This Amendment supersedes all prior drafts and communications with respect thereto.

8. Governing Law. This amendment shall be governed by and construed in accordance with the internal laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No.1 under the Lease as of the day and year written above.

BANC OF AMERICA PUBLIC
CAPITAL CORP, as Lessor

CITY OF LONG BEACH
Lessee

By *Eileen Herrewé*
Title Authorized Agent

Assistant City Manager
By *[Signature]* EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.
Title City Manager

APPROVED AS TO FORM
July 8, 20 11
ROBERT E. SHANNON, City Attorney
By *Gary J. Anderson*
GARY J. ANDERSON
DEPUTY CITY ATTORNEY

ACQUISITION FUND AND ACCOUNT CONTROL AGREEMENT

This Acquisition Fund and Account Control Agreement (this "Agreement"), dated as of July 15, 2011, by and among Banc of America Public Capital Corp, a Kansas corporation (hereinafter referred to as "Lessor"), City of Long Beach, a political subdivision of the state of California (hereinafter referred to as "Lessee") and Union Bank, N.A., a national banking association (hereinafter referred to as "Acquisition Fund Custodian").

Reference is made to Schedule of Property No. 4, dated as of July 15, 2011, by and between Lessor and Lessee incorporating the terms of that certain Equipment Lease Purchase Agreement dated as of October 24, 2008 between Bank of America, N.A., and Lessee (hereinafter referred to as the "Lease"), covering the acquisition and lease of certain parking equipment and security systems described therein (the "Equipment"). It is a requirement of the Lease that the Purchase Price of the Equipment (an amount not to exceed \$810,099.08) is to be deposited into a special trust fund under terms satisfactory to Lessor, for the purpose of fully funding the Lease, and providing a mechanism for the application of such amounts to the purchase of and payment for the Equipment.

The parties agree as follows:

1. Creation of Acquisition Fund.

(a) There is hereby created a special custody fund to be known as the "City of Long Beach 2011- Schedule No. 4 Acquisition Fund Account" (the "Acquisition Fund") to be held by the Acquisition Fund Custodian for the purposes stated herein, for the benefit of Lessor and Lessee, to be held, disbursed and returned in accordance with the terms hereof.

(b) The Acquisition Fund Custodian shall invest and reinvest moneys on deposit in the Acquisition Fund in Qualified Investments in accordance with written instructions received from Lessee. Lessee shall be solely responsible for ascertaining that all proposed investments and reinvestments are Qualified Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Acquisition Fund Custodian for the reinvestment of any maturing investment. Accordingly, neither the Acquisition Fund Custodian nor Lessor shall be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Acquisition Fund, and Lessee agrees to and does hereby release the Acquisition Fund Custodian and Lessor from any such liability, cost, expenses, loss or claim. Interest on the Acquisition Fund shall become part of the Acquisition Fund, and gains and losses on the investment of the moneys on deposit in the Acquisition Fund shall be borne by the Acquisition Fund, except for liability related to the negligence, willful misconduct or fraud of Acquisition Fund Custodian or Lessor. For purposes of this agreement, "Qualified Investments" means any investments which meet the requirements of applicable State of California and local laws and regulations.

(c) Unless the Acquisition Fund is earlier terminated in accordance with the provisions of paragraph (d) below, amounts in the Acquisition Fund shall be disbursed by the Acquisition Fund Custodian in payment of amounts described in Section 2 hereof upon receipt of written authorization(s) from Lessor, as is more fully described in Section 2 hereof. If the

amounts in the Acquisition Fund are insufficient to pay such amounts, Lessee shall provide any balance of the funds needed to complete the acquisition of the Equipment. Any moneys remaining in the Acquisition Fund after July 15, 2012 (the "Acquisition Period") shall be applied as provided in Section 4 hereof.

(d) The Acquisition Fund shall be terminated at the earliest of (i) the final distribution of amounts in the Acquisition Fund or (ii) written notice given by Lessor of the occurrence of a default or termination of the Lease due to non-appropriation.

(e) The Acquisition Fund Custodian may act in reliance upon any writing or instrument or signature which it has determined to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Acquisition Fund Custodian shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the authority or right of any person executing the same; and its duties hereunder shall be limited to the receipt of such moneys, instruments or other documents received by it as the Acquisition Fund Custodian, and for the disposition of the same in accordance herewith.

(f) Unless the Acquisition Fund Custodian is guilty of negligence, willful misconduct or fraud with regard to its duties hereunder, Lessee agrees to and does hereby release and indemnify the Acquisition Fund Custodian and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Acquisition Fund Custodian under this Agreement; and in connection therewith does, to the extent permitted by law, indemnify the Acquisition Fund Custodian against any and all expenses; including reasonable attorneys' fees and costs.

(g) If Lessee and Lessor shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Acquisition Fund Custodian hereunder, the Acquisition Fund Custodian may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Acquisition Fund Custodian shall be reimbursed by Lessor, for all costs, including reasonable attorneys' fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under the Lease until a final judgment in such action is received.

(h) The Acquisition Fund Custodian may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Acquisition Fund Custodian shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its negligence, willful misconduct or fraud.

(i) Lessor shall reimburse the Acquisition Fund Custodian for all reasonable costs and expenses, including those of the Acquisition Fund Custodian's attorneys, agents and employees incurred for extra-ordinary administration of the Acquisition Fund and the performance of the Acquisition Fund Custodian's powers and duties hereunder in connection with any Event of Default under the Lease, or in connection with any dispute between Lessor and Lessee concerning the Acquisition Fund.

(j) Lessor shall from time to time, on demand, pay to the Acquisition Fund Custodian reasonable compensation for its services and shall reimburse the Acquisition Fund Custodian for all its advances and expenditures, including but not limited to advances to and fees and expenses of counsel. The obligation to pay such amounts shall survive the term of this Acquisition Fund Agreement.

(k) The duties and responsibilities of Acquisition Fund Custodian shall be limited to those expressly set forth in this Agreement. With the exception of this Agreement, Acquisition Fund Custodian is not responsible for or chargeable with knowledge of any terms or provisions contained in any underlying agreement referred to in this Agreement or any other separate agreements and understandings between the parties. The Acquisition Fund Custodian shall not be liable for the accuracy of any calculations or the sufficiency of any funds for any purpose. The Acquisition Fund Custodian shall not have any liability under this Agreement except to the extent of its own gross negligence or willful misconduct. In no event shall the Acquisition Fund Custodian be liable for any special, indirect or consequential damages.

2. Acquisition of Property.

(a) Acquisition Contracts. Lessee will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition of the Equipment, with moneys available in the Acquisition Fund. Lessee represents the estimated costs of the Equipment are within the funds estimated to be available therefor, and Lessor makes no warranty or representation with respect thereto. Lessor shall have no liability under any of the acquisition or construction contracts. Lessee shall obtain all necessary permits and approvals, if any, for the acquisition, equipping and installation of the Equipment, and the operation and maintenance thereof.

(b) Authorized Acquisition Fund Disbursements. Disbursements from the Acquisition Fund shall be made for the purpose of paying (including the reimbursement to Lessee for advances from its own funds to accomplish the purposes hereinafter described) the cost of acquiring the Equipment.

(c) Disbursement Procedure. No disbursement from the Acquisition Fund ("Disbursement") shall be made unless and until Lessor has approved such Disbursement. Prior to disbursement from the Acquisition Fund there shall be filed with the Acquisition Fund Custodian a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1, stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due. Each such Disbursement shall be signed by an authorized representative of Lessee (an "Authorized Representative") and by Lessor, and shall be subject to the following:

1. Delivery to Lessor of a certificate of Lessee to the effect that:
 - (i) an obligation in the stated amount has been incurred by Lessee, and that the same is a proper charge against the Acquisition Fund for costs relating to the Equipment identified in the Lease, and has not been paid;
 - (ii) the Authorized Representative has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made;
 - (iii) such Disbursement contains no item representing payment on

account, or any retained percentages which Lessee is, at the date of such certificate, entitled to retain; and (iv) the Equipment is insured in accordance with the Lease;

2. Delivery to Lessor of an Acceptance Certificate executed by Lessee, together with any Purchase Agreement Assignment or bill of sale and invoice therefor as required by Paragraph 3A of the Lease;

3. The disbursement shall occur during the Acquisition Period set forth in the Schedule applicable to such Equipment;

4. There shall exist no Event of Default (nor any event which, with notice or lapse of time or both, would become an Event of Default); and

5. No material adverse change in Lessee's or any guarantor's financial condition shall have occurred since the date of the Lease.

3. Deposit to Acquisition Fund. Upon satisfaction of the conditions specified in Paragraph 3A of the Lease, Lessor will cause the Purchase Price to be deposited in the Acquisition Fund. Lessee agrees to pay any costs with respect to the Equipment in excess of amounts available therefor in the Acquisition Fund.

4. Excessive Acquisition Fund. Following the final disbursement from the Acquisition Fund at the end of the Acquisition Period, or termination of the Acquisition Fund as otherwise provided herein or in the Lease, the Acquisition Fund Custodian shall transfer any remainder from the Acquisition Fund to Lessor for application to amounts owed under the Lease in accordance with Paragraph 35(c) of the Lease.

5. Security Interest. The Acquisition Fund Custodian and Lessee acknowledge and agree that the Acquisition Fund and all proceeds thereof are being held by Acquisition Fund Custodian for disbursement or return as set forth herein. Lessee hereby grants to Lessor a first priority perfected security interest in the Acquisition Fund, and all proceeds thereof, and all investments made with any amounts in the Acquisition Fund. If the Acquisition Fund, or any part thereof, is converted to investments as set forth in this Agreement, such investments shall be made in the name of Acquisition Fund Custodian and the Acquisition Fund Custodian hereby agrees to hold such investments as bailee for Lessor so that Lessor is deemed to have possession of such investments for the purpose of perfecting its security interest.

5A. Control of Acquisition Account. In order to perfect Lessor's security interest by means of control in (i) the Acquisition Fund established hereunder, (ii) all entitlements, investment property and other financial assets now or hereafter credited to the Acquisition Fund, (iii) all of Lessee's rights in respect of the Acquisition Fund, such entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of such entitlements, investment property and other financial assets deposited in or credited to the Acquisition Fund (collectively, the "Collateral"), Lessor, Lessee and Acquisition Fund Custodian further agree as follows:

(a) All terms used in this Section 5A which are defined in the Commercial Code of the state of California ("Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.

(b) Lessee hereby irrevocably authorizes Acquisition Fund Custodian and Acquisition Fund Custodian hereby agrees, to comply with all instructions entitlement orders originated by Lessor with respect to the Collateral, or any portion of the Collateral, in accordance with the terms hereof without further consent by Lessee, except as otherwise specifically provided in this Agreement.

(c) Acquisition Fund Custodian hereby represents and warrants (a) that the records of Acquisition Fund Custodian show that Lessee is the sole owner of the Collateral, (b) that Acquisition Fund Custodian has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lessor's claim pursuant to this Section 5A, and (c) that Acquisition Fund Custodian is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Acquisition Fund Custodian is obligated to accept from Lessor under this Agreement and entitlement orders that Acquisition Fund Custodian, subject to the provisions of paragraph (e) below, is obligated to accept from Lessee.

(d) Without the prior written consent of Lessor, Acquisition Fund Custodian will not enter into any agreement by which Acquisition Fund Custodian agrees to comply with any entitlement order of any person other than Lessor or, subject to the provisions of paragraph (e) below, Lessee, with respect to any portion or all of the Collateral. Acquisition Fund Custodian shall promptly notify Lessor if any person requests Acquisition Fund Custodian to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Acquisition Fund Custodian may allow Lessee to effect sales, trades, transfers and exchanges of Collateral within the Acquisition Fund, but will not, without the prior written consent of Lessor unless otherwise authorized by other Sections of this Agreement, allow Lessee to withdraw any Collateral from the Acquisition Fund. Acquisition Fund Custodian acknowledges that Lessor reserves the right, by delivery of written notice to Acquisition Fund Custodian, to prohibit Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Acquisition Fund when those withdrawals are intended to be used by Lessee for any purpose other than the acquisition of Equipment in accordance with the terms of this Agreement and the Lease. Further, Acquisition Fund Custodian hereby agrees to comply with any and all written instructions delivered by Lessor to Acquisition Fund Custodian (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter, unless Acquisition Fund Custodian receives notice from Lessee that said instructions from Lessor violate the terms of this Agreement. In that case, Acquisition Fund Custodian shall take no action until Lessor and Lessee resolve their dispute.

(f) Lessee hereby irrevocably authorizes Acquisition Fund Custodian to comply with all instructions and entitlement orders delivered by Lessor to Acquisition Fund Custodian.

(g) Acquisition Fund Custodian will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and

Acquisition Fund Custodian will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) Acquisition Fund Custodian is hereby authorized and instructed, and hereby agrees, to send to Lessor at its address set forth in Section 6 below, concurrently with the sending thereof to Lessee, duplicate copies of any and all monthly Acquisition Fund statements or reports issued or sent to Lessee with respect to the Acquisition Fund.

6. Miscellaneous. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This Agreement may not be amended except in writing signed by all parties hereto. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below:

If to Lessor: Banc of America Public Capital Corp
555 California Street
CA5-705-04-01
San Francisco, CA 94104
Attn: Contracts Administration
Fax: (415) 343-0531

If to Lessee: City of Long Beach
333 W. Ocean Boulevard, 6th Floor
Long Beach, CA 90802-4664
Attn: Eugene Fong
Tel No. 562-570-5023
Fax No. 562-570-5836

If to Acquisition
Fund Custodian Union Bank, N.A.
Corporate Trust Department
120 S. San Pedro Street, Suite 400
Los Angeles, CA 90012
Attn: Alison Braunstein
Phone: (213) 972-5674
Fax: (213) 972-5694

In Witness Whereof, the parties have executed this Acquisition Fund Agreement as of the date first above written.

Banc of America Public Capital Corp
as Lessor

City of Long Beach,
as Lessee

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

[Signature]
Assistant City Manager

By: _____

By: _____

Name: Eileen Harwell

Name: Patrick H. West

Title: Authorized Agent

Title: City Manager

Union Bank, N.A.
as Acquisition Fund Custodian

APPROVED AS TO FORM

By: _____

July 11, 20 11
ROBERT E. SHANNON, City Attorney

Name: _____

By: *[Signature]*
AMY R. BURTON
DEPUTY CITY ATTORNEY

Title: Vice President

Schedule 1

Form of Disbursement Request No. _____

Re: Schedule of Property No. 4 dated as of March 11, 2011, by and between Banc of America Public Capital Corp, as Lessor and City of Long Beach, as Lessee, incorporating the terms of that certain Equipment Lease-Purchase Agreement dated as of October 24, 2008, by and between Bank of America, N.A., and Lessee (the "Lease")

In accordance with the terms of the Acquisition Fund and Account Control Agreement, dated as of March 11, 2011 (the "Acquisition Fund and Account Control Agreement") by and among Banc of America Public Capital Corp ("Lessor"), City of Long Beach ("Lessee") and Union Bank, N.A., (the "Acquisition Fund Custodian"), the undersigned hereby requests the Acquisition Fund Custodian pay the following persons the following amounts from the Acquisition Fund created under the Acquisition Fund and Account Control Agreement (the "Acquisition Fund") for the following purposes.

Payee's Name and Address	Invoice Number	Dollar Amount	Purpose

The undersigned hereby certifies as follows:

(i) An obligation in the stated amount has been incurred by Lessee, and the same is a proper charge against the Acquisition Fund for costs relating to the Equipment identified in the Lease, and has not been paid. Attached hereto is the original invoice with respect to such obligation.

(ii) The undersigned, as Authorized Representative, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iii) This Disbursement contains no item representing payment on account, or any retained percentages which Lessee is, at the date hereof, entitled to retain.

(iv) The Equipment is insured in accordance with the Lease.

(v) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(vi) The disbursement shall occur prior to the end of the Utilization Period set forth in the Schedule applicable to such Equipment.

(vii) No material adverse change in Lessee's or any guarantor's financial condition shall have occurred since the date of the Lease.

Dated: _____

CITY OF LONG BEACH

By: *[Signature]* Assistant City Manager

Name: *Patrick H. West*

Title: Authorized Representative

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

Disbursement of funds from the Acquisition Fund in accordance with the foregoing Disbursement Request hereby is authorized

BANC OF AMERICA PUBLIC CAPITAL CORP
as Lessor under the Lease

By: _____

Name: _____

Title: Authorized Agent

APPROVED AS TO FORM

July 8, 20 *11*

ROBERT E. SHANNON, City Attorney

By *Gary J. Anderson*

GARY J. ANDERSON
DEPUTY CITY ATTORNEY

TAX CERTIFICATE

This Tax Certificate (this "Certificate") is being provided by the City of Long Beach, California (the "City") in connection with the execution of that certain Equipment Lease-Purchase Agreement, by and between the City, as Lessee, and Bank of America, N.A., as Lessor, dated October 24, 2008 and Schedule No. 4 thereto dated as of July 15, 2011, by and between Banc of America Public Capital Corp, as Lessor and Lessee, which among other things, incorporates the terms of the Agreement and provides for the lease by the City of personal computer equipment and server equipment to be located in the City (the "Lease") and concerns the requirements that must be met for interest component of the Rental Payments under the Lease to qualify as tax-exempt for federal income tax purposes.

The representations and agreements contained in this Certificate are made by the City for the benefit of Banc of America Public Capital Corp.

Many of the terms used in this Certificate have special meanings and provides cross-references to provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations pertaining to tax-exempt obligations. Certain other terms used and not defined herein have the meanings given such terms in the Lease.

The undersigned, acting on behalf of the City, hereby certifies, represents and agrees as follows:

1. The City's Representations. The City represents that it has examined and is familiar with the representations made in this Certificate, and certifies that all such representations are true, complete, and correct and do not omit to state a material fact necessary to make the representations, in light of the circumstances under which they were made, not misleading. Any representation made by the City about its reasonable expectations includes a representation that it has not entered into any contract or other arrangement that is inconsistent with that representation. The City further represents that it has reviewed all parts of this Certificate with its counsel. The undersigned City Manager of the City, certifies that he is duly authorized to execute and deliver this Certificate.

2. The Lease. The Lease, to which this Certificate is attached as Exhibit K, is incorporated herein by reference. The terms and security and sources of payment of the Lease are as described therein. The property to be financed with the proceeds of the Lease shall be the Equipment as defined and described in the Lease.

3. Reasonable Expectation That No Other Obligations Need to be Treated as Part of the Same "Issue" as the Lease. The Lease Schedule has been executed as of July 15, 2011. No other obligations reasonably expected to be paid from the same source of funds have been sold since _____ and the City reasonably expects that no such obligations will be sold before _____. Accordingly, the City intends to treat the Lease as a single "issue" and that no other obligations will be part of this "issue."

4. Interest Rate Hedges. The City has not entered into any contract primarily to modify the risk of interest rate changes with respect to the Lease and does not reasonably expect that it will enter into such a contract.

5. Form 8038-G. The information in the Internal Revenue Service Form 8038-G for the Lease attached to this Certificate as Attachment A is true and correct.

6. Amount of Lease Proceeds. The Lease was awarded by the City on the basis of the presentation of proposals to Banc of America Public Capital Corp for an aggregate lease value of \$810,099.08. The fair market value of the Equipment is \$810,099.08.

7. Replacement Proceeds. The City reasonably expects that it will not have Replacement Proceeds as defined in Treas. Reg. §1.148-1(c). The City acknowledges that if Replacement Proceeds arise, they will be treated Gross Proceeds, as defined in the Code.

8. Ownership of the Equipment. The City reasonably expects that it will own the Equipment for the entire term of the Lease.

9. No Private Business Use of Equipment. No portion of any property financed with the proceeds of the Lease will be used for a private business use and the City shall not take any action that would cause the Lease to meet the private business use test of section 141(b)(1) of the Code. Accordingly, the City will not take any action that would cause (i) more than 10% of the Equipment to be used for private business use or (ii) more than 5% of the proceeds of the Equipment to be used for any private business use which is unrelated to any governmental use of such proceeds or which is related to such governmental use but disproportionate to the governmental use.

10. Payment of Rebate. The City shall make, or cause to be made, rebate payments to the United States Treasury with respect to the Lease at such times and such amounts as will meet the requirements of section 148(f) of the Code.

9. Records of Investments. The City shall maintain records that are adequate to determine the amount of required rebate payments with respect to of any proceeds of the Lease, if any. These records shall be maintained by the City until 6 years after the termination or the Lease.

10. Federal Guarantees. The City shall not take any action that would cause the Lease to be "federally guaranteed" under section 149(b) of the Code.

APPROVED AS TO FORM
July 8, 2011
ROBERT E. SHANNON, City Attorney
By [Signature]
MARY J. ANDERSON
DEPUTY CITY ATTORNEY

Lessee: CITY OF LONG BEACH

Assistant City Manager

By:

Name:

Title:

[Signature]
Patricia H. West
City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.