

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 RESOLUTION NO. RES-08-0064

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH AUTHORIZING THE EXPANSION
5 OF THE CITY'S EXISTING COMMERCIAL PAPER
6 PROGRAM TO PERMIT THE ISSUANCE AND SALE OF
7 THE CITY OF LONG BEACH, CALIFORNIA SUBORDINATE
8 AIRPORT REVENUE COMMERCIAL PAPER NOTES,
9 SERIES A (NON-AMT), SERIES B (AMT) AND SERIES C
10 (TAXABLE) FROM TIME TO TIME IN AN AGGREGATE
11 PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000; TO
12 AUTHORIZE THE EXPENDITURE OF NOTE PROCEEDS
13 ON THE DESIGN OF VARIOUS TERMINAL
14 IMPROVEMENTS AND A MULTILEVEL PUBLIC PARKING
15 STRUCTURE AT THE LONG BEACH AIRPORT; AND
16 APPROVING A SECOND SUPPLEMENTAL SUBORDINATE
17 TRUST INDENTURE, A FIRST AMENDMENT TO ISSUING
18 AND PAYING AGENT AGREEMENT, A SECOND
19 AMENDMENT TO REIMBURSEMENT AGREEMENT, A
20 BANK NOTE, A FIRST AMENDMENT TO COMMERCIAL
21 PAPER DEALER AGREEMENT, AN OFFERING
22 MEMORANDUM AND RELATED DOCUMENTS,
23 AUTHORIZING AND DIRECTING EXECUTION THEREOF
24 AND AUTHORIZING ACTIONS RELATED THERETO

25
26 WHEREAS, the City of Long Beach (the "City") is a city organized and
27 existing under a charter duly and regularly adopted pursuant to the provisions of the
28 Constitution of the State of California; and

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

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

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

10 WHEREAS, the City has previously entered into that certain Installment
11 Purchase Contract, dated as of July 1, 1993, as amended (the "Senior Lien Contract"), by
12 and between the City and the Long Beach Capital Improvement Corporation (the
13 "Corporation"), for the purpose of refinancing the purchase of certain improvements to the
14 facilities of the Airport; and

15 WHEREAS, pursuant to the Senior Lien Contract the City is obligated to
16 make installment payments (the "1993 Installment Payments") to the Corporation, which
17 are secured by a first lien on and pledge of Net Revenues (as defined in the Senior Lien
18 Contract); and

19 WHEREAS, pursuant to that certain Trust Agreement, dated as of July 1,
20 1993 (the "Senior Lien Trust Agreement"), by and between the Corporation and the City,
21 certificates of participation (the "1993 Certificates") were executed and delivered,
22 evidencing and representing proportionate, undivided interests of the owners thereof in
23 the 1993 Installment Payments to be made by the City pursuant to the Senior Lien
24 Contract; and

25 WHEREAS, the Senior Lien Contract pledges and grants a senior lien on
26 Net Revenues to the 1993 Installment Payments and any other Contracts (as defined in
27 the Senior Lien Contract) entered into by the City pursuant to which the related
28 Installment Payments (as defined in the Senior Lien Contract) have been granted a lien

1 on Net Revenues on parity with the 1993 Installment Payments; and

2 WHEREAS, the City Council previously determined that it is in the best
3 interest of the City to issue obligations with a subordinate pledge and lien on Net
4 Revenues; and

5 WHEREAS, public interest and necessity required the City to authorize the
6 creation of an issue of short-term revenue certificates, which revenue certificates shall be
7 secured by and payable from Net Revenues on a subordinate basis to the pledge of Net
8 Revenues granted to the 1993 Installment Payments and any other Contracts entered
9 into by the City pursuant to which the related Installment Payments have been granted a
10 lien on Net Revenues on parity with the 1993 Installment Payments; and

11 WHEREAS, the City Council previously determined that it was in the best
12 interests of the City to issue the short-term revenue certificates through the
13 implementation of a commercial paper program through the issuance of Subordinate
14 Airport Revenue Commercial Paper Notes, Series A (Non-AMT), Series B (AMT) and
15 Series C (Taxable) (the "Commercial Paper Notes") in an aggregate principal amount of
16 not to exceed \$15,000,000 (the "Commercial Paper Program") at any one time
17 outstanding to finance and refinance ongoing capital maintenance and rehabilitation to
18 the Enterprise (as defined in the Master Subordinate Trust Indenture, dated as of
19 November 1, 2004 (the "Master Subordinate Indenture"), by and between the City and
20 The Bank of New York Trust Company, National Association, as trustee (the "Trustee"),
21 as amended by the First Supplemental Subordinate Trust Indenture, dated as of
22 November 1, 2004 (the "First Supplemental Subordinate Indenture," and together with the
23 Master Subordinate Indenture, the "Indenture"), by and between the City and the
24 Trustee); and

25 WHEREAS, the City Council has determined that it is in the best interests of
26 the City to expand the authorized amount of Commercial Paper Notes that may be issued
27 under the Indenture at any one time outstanding in the aggregate principal amount of not
28 to exceed \$25,000,000; and

1 WHEREAS, the City would like to expand the Commercial Paper Program
2 to finance costs associated with the design of a multilevel public parking structure (the
3 “Parking Structure”) and the design of various terminal improvements to be constructed
4 at the Airport; and

5 WHEREAS, in connection with the expansion of the Commercial Paper
6 Note program, the City agrees to provide various notices to the existing commercial
7 paper dealers, the commercial paper banks, the rating agencies and Commercial Paper
8 Note holders; and

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

14 WHEREAS, as part of the Commercial Paper Program, the City Council
15 previously determined that it was appropriate and to the benefit of the City to provide
16 credit enhancement in the form of an irrevocable direct-pay letter of credit (the “Letter of
17 Credit”), which was issued initially by JPMorgan Chase Bank, National Association
18 (formerly known as Bank One, NA) (together with any other bank substituted or added as
19 a party to the Letter of Credit, the “Bank”) pursuant to a Reimbursement Agreement,
20 dated as of November 1, 2004, by and between the City and the Bank, as amended and
21 supplemented by the First Amendment to Reimbursement Agreement, dated October 19,
22 2007 (collectively, the “Original Reimbursement Agreement”), by and between the City
23 and the Bank; and

24 WHEREAS, in connection with the expansion of the Commercial Paper
25 Program, the City has determined to amend the Original Reimbursement Agreement with
26 a Second Amendment to Reimbursement Agreement (the “Second Amendment to
27 Reimbursement Agreement,” and together with the Original Reimbursement Agreement,
28 the “Reimbursement Agreement”), which will increase the maximum stated amount to be

1 drawn upon under the Letter of Credit and extend the expiration date of the Letter of
2 Credit; and

3 WHEREAS, the Commercial Paper Program, as herein expanded, shall
4 include the issuance from time to time of the Commercial Paper Notes in maturities not to
5 exceed 270 days and incurrence of obligations to reimburse the Bank and to pay interest
6 on the unreimbursed amounts, and to make other payments to the Bank (the "Payment
7 Obligations"); and

8 WHEREAS, there have been presented to the City Council the following
9 documents:

10 (a) a form of the Second Supplemental Subordinate Trust Indenture (the
11 "Second Supplemental Subordinate Indenture") by and between the City and the
12 Trustee;

13 (b) a form of the First Amendment to Issuing and Paying Agent
14 Agreement (the "First Amendment to Issuing and Paying Agent Agreement") by
15 and between the City and The Bank of New York Trust Company, National
16 Association, as issuing and paying agent (the "Issuing and Paying Agent");

17 (c) a form of the Second Amendment to Reimbursement Agreement,
18 including therein a description of the obligations of the City constituting the
19 Payment Obligations;

20 (d) a form of the Bank Note (the "Bank Note") to be issued by the City in
21 order to evidence the Payment Obligations;

22 (e) a form of the First Amendment to Commercial Paper Dealer
23 Agreement (the "First Amendment to Dealer Agreement") between the City and
24 Lehman Brothers Inc., as dealer (the "Dealer");

25 (f) a form of the Offering Memorandum (the "Offering Memorandum")
26 relating to the offering and issuance of the Commercial Paper Notes; and

27 WHEREAS, said documents will be modified and amended to reflect the
28 various details applicable to the different series of Commercial Paper Notes and said

1 documents are subject to completion to reflect the results of the individual sales of the
2 various series; and

3 WHEREAS, the City held a public hearing on April 8, 2008 in accordance
4 with Section 147(f) of the Code (the "Public Hearing"), concerning the funding of certain
5 costs associated with the design of the Parking Structure, the issuance from time to time
6 of the Commercial Paper Notes in an aggregate principal amount not to exceed
7 \$25,000,000 and the funding of certain ongoing capital maintenance and rehabilitation
8 projects to be located at the Airport; and

9 WHEREAS, the City Council is the applicable elected representative for
10 purposes of Section 147(f) the Code; and

11 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
12 follows:

13 Section 1. That the above recitals are true and correct and are
14 incorporated herein by reference.

15 Section 2. Design Costs Associated with the Parking Structure and
16 Terminal Improvements. The addition of design costs associated with the Parking
17 Structure and various terminal improvements are hereby approved as permitted
18 expenditures under the Commercial Paper Program.

19 Section 3. Issuance of Commercial Paper Notes; Terms of Commercial
20 Paper Notes. For the purposes set forth in the foregoing recitals, including, but not
21 limited, to the approval required by Section 147(f) of the Code, the City Council hereby
22 authorizes the expansion of the Commercial Paper Program to permit the issuance, from
23 time to time, of the Commercial Paper Notes, the issuance of the Bank Note and the
24 incurrence of Payment Obligations due to the Bank under the Reimbursement Agreement
25 and the Second Supplemental Subordinate Indenture provided that the aggregate
26 principal amount of the Commercial Paper Notes and the aggregate principal amount of
27 the Payment Obligations outstanding at any time under the expanded Commercial Paper
28 Program shall not exceed \$25,000,000. The Commercial Paper Notes shall have

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

1 not excluded in such combination as is acceptable to the Designated Representative
2 authorizing the same. The Commercial Paper Notes shall be in fully registered form and
3 may be issued in book-entry form as provided in the Second Supplemental Subordinate
4 Indenture.

5 The Commercial Paper Program shall expire on November 1, 2020 unless
6 such date has been extended by a subsequent resolution of the City Council.

7 A portion of the proceeds of each new issue of Commercial Paper Notes
8 may, in accordance with the terms of the Second Supplemental Subordinate Indenture,
9 be used to make a deposit to pay interest on the Commercial Paper Notes.

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

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

27 Section 4. Pledge to Secure the Commercial Paper Notes and the
28 Payment Obligations. The City Council hereby approves the pledge to secure the

1 Commercial Paper Notes and the Payment Obligations as set forth in the Indenture and
2 the Reimbursement Agreement.

3 Section 5. Special Obligations. The Commercial Paper Notes and the
4 Payment Obligations shall be special obligations of the City, secured by, and payable
5 from, Subordinate Net Revenues and from the funds and accounts held by the Trustee
6 and the Issuing and Paying Agent under the Indenture and the Issuing and Paying Agent
7 Agreement, dates as of November 1, 2004 (the "Issuing and Paying Agent Agreement")
8 by and between the City and the Issuing and Paying Agent, as and to the extent therein
9 described and from advances made to pay principal and interest on the Commercial
10 Paper Notes pursuant to the Letter of Credit. The Commercial Paper Notes and the
11 Payment Obligations shall also be secured by and be paid from such other sources as
12 the City may hereafter provide that are available in the Enterprise Fund (as defined in the
13 Indenture), including, but not limited to, proceeds of additional borrowings for such
14 purpose and any applicable state or federal grants received by the City. The Commercial
15 Paper Notes are not to be and shall not be secured by the taxing power of the City.

16 Section 6. Forms of Commercial Paper Notes. The Commercial Paper
17 Notes and the Issuing and Paying Agent's Certificate of Authentication to appear thereon
18 shall be in substantially the form set forth in Exhibits A-1, A-2 and C to the Second
19 Supplemental Subordinate Indenture with necessary or appropriate variations, omissions
20 and insertions as permitted or required by the Indenture or the Second Supplemental
21 Subordinate Indenture or as appropriate to adequately reflect the terms of each series of
22 the Commercial Paper Notes and the obligation represented thereby.

23 Section 7. Execution of the Commercial Paper Notes. Each of the
24 Commercial Paper Notes shall be executed on behalf of the City by the City Manager, the
25 CFO/Director of Financial Management, the City Treasurer or any other Authorized City
26 Representative (as defined in the Indenture) designated by the City Manager (each a
27 "Designated Officer") and attested by the City Clerk. Any such signatures may be by
28 manual or facsimile signature and the seal may be impressed or printed on the

1 Commercial Paper Notes. Additionally, each of the Commercial Paper Notes shall be
2 authenticated by the signature of the Issuing and Paying Agent or an agent of the Issuing
3 and Paying Agent as required and permitted by the Indenture. Any facsimile signature of
4 such Designated Officer of the City shall be of the same force and effect as if such
5 signature were manually placed on such Commercial Paper Notes.

6 Section 8. Approval of Second Supplemental Subordinate Indenture.

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

24 Section 9. Approval of First Amendment to Issuing and Paying Agent

25 Agreement. The First Amendment to Issuing and Paying Agent Agreement, in the form
26 on file with the City Clerk, is hereby approved. The Designated Officers, each acting
27 alone, are hereby authorized, empowered and directed to execute, acknowledge and
28 deliver the First Amendment to Issuing and Paying Agent Agreement, including

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

16 Section 10. Approval of Second Amendment to Reimbursement
17 Agreement and Bank Note. The Second Amendment to Reimbursement Agreement and
18 the Bank Note, in the forms on file with the City Clerk, are hereby approved. The
19 Designated Officers, each acting alone, are hereby authorized, empowered and directed
20 to execute, acknowledge and deliver the Second Amendment to Reimbursement
21 Agreement and the Bank Note, including counterparts thereof, in the name and on behalf
22 of the City. The Second Amendment to Reimbursement Agreement and the Bank Note,
23 as executed and delivered, shall be in substantially the forms now before this meeting
24 and hereby approved, or with such changes therein as shall be approved by the officer or
25 officers executing such Second Amendment to Reimbursement Agreement and the Bank
26 Note, such execution to be conclusive evidence of the City Council's approval of any and
27 all changes or revisions therein from the form of the Second Amendment to
28 Reimbursement Agreement and the Bank Note now before this meeting; and the City

1 Clerk is hereby authorized and directed to attest and to affix the seal of the City thereto.
2 The City Council hereby authorizes the delivery and performance of the Second
3 Amendment to Reimbursement Agreement and the Bank Note and from and after the
4 execution and delivery of the Second Amendment to Reimbursement Agreement and the
5 Bank Note, the officers, agents and employees of the City are hereby authorized,
6 empowered and directed to do all such acts and things and to execute all such
7 documents as may be necessary to carry out and comply with the provisions of the
8 Second Amendment to Reimbursement Agreement and the Bank Note. The City Council
9 hereby designates any obligation to the Bank under the Second Amendment to
10 Reimbursement Agreement and the Bank Note as a Subordinate Obligation under the
11 Indenture.

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

1 Amendment to Dealer Agreement.

2 Section 12. Approval of Offering Memorandum. The Offering
3 Memorandum, prepared by the City, is hereby approved in substantially the form
4 presented to and considered at this meeting (a form of which is on file with the City
5 Clerk), with such changes, additions or deletions which are approved by the Designated
6 Officers. Each Offering Memorandum so distributed shall first be approved by a
7 Designated Officer pursuant to the terms of the Dealer Agreement. The Dealer is hereby
8 authorized to distribute the Offering Memorandum in final form to market the Commercial
9 Paper Notes from time to time, and is hereby authorized to distribute copies of the
10 Enterprise Fund's most recent annual audited financial statements and such other
11 financial statements of the Enterprise Fund as the City Manager, the CFO/Director of
12 Financial Management, the City Treasurer shall approve. The City Council further hereby
13 authorizes, from time to time, the preparation, execution and delivery of one or more
14 additional or supplemental offering memorandum in accordance with the terms of the
15 hereinabove approved Dealer Agreement, the delivery of any such document by the City
16 Manager, the CFO/Director of Financial Management, the City Treasurer to be conclusive
17 evidence of the City Council's approval of such supplements, additions, deletions and
18 changes.

19 Section 13. Designated Representatives. The City Council hereby
20 appoints the City Manager, the CFO/Director of Financial Management, the City
21 Treasurer, and any other persons designated by the City Manager to serve as
22 Designated Representatives of the City under the terms of this Resolution and the
23 Second Supplemental Subordinate Indenture. The Designated Representatives are, and
24 each of them is, hereby authorized and are hereby directed to perform those duties set
25 forth in the Second Supplemental Subordinate Indenture, the First Amendment to Issuing
26 and Paying Agent Agreement, the Second Amendment to Reimbursement Agreement,
27 the Bank Note and the First Amendment to Dealer Agreement (collectively, the
28 "Documents") including, without limitation, the execution of Note Designation Certificates

1 and Notices of Issuance of Commercial Paper Notes. The Designated Representatives
2 are, and each of them is, also authorized to make representations, certifications and
3 warranties concerning the Commercial Paper Notes and in connection with the issuance
4 of Commercial Paper Notes as and when required in the Documents and the
5 certifications and agreements relating to the federal tax exemption with regards to the
6 Series A Notes and the Series B Notes.

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

28 Section 15. Costs of Issuance. The City Council authorizes funds of the

1 Enterprise Fund, together with the proceeds of the Commercial Paper Notes, to be used
2 to pay costs of issuance of the Commercial Paper Notes, including, but not limited to,
3 costs and expenses of attorneys, accountants, financial advisors, the costs associated
4 with rating agencies, costs and expenses of the Bank, printing publication and mailing
5 expenses; and any related filing fees thereof.

6 Section 16. Severability of Invalid Provisions. If any one or more of the
7 provisions contained in this Resolution shall for any reason be held to be invalid, illegal or
8 unenforceable in any respect, then such provision or provisions shall be deemed
9 severable from the remaining provisions contained in this Resolution and such invalidity,
10 illegality or unenforceability shall not affect any other provision of this Resolution, and this
11 Resolution shall be construed as if such invalid or illegal or unenforceable provision had
12 never been contained herein. The City Council hereby declares that it would have
13 adopted this Resolution and each and every Section, paragraph, sentence, clause or
14 phrase hereof and authorized the issuance of the Commercial Paper Notes pursuant
15 thereto irrespective of the fact that any one or more Sections, paragraphs, sentences,
16 clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

17 Section 17. Section Headings and References; Interpretation. The
18 headings or titles of the several Sections hereof, and any table of contents appended to
19 copies hereof, shall be solely for convenience of reference and shall not affect the
20 meaning, construction or effect of this Resolution.

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

26 Section 18. Governing Law. This Resolution shall be construed and
27 governed in accordance with the laws of the State of California.

28 Section 19. This resolution shall take effect immediately upon its adoption

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
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Long Beach, CA 90802-4664

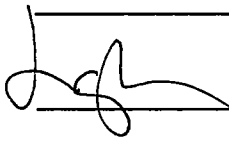
1 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

2 I hereby certify that the foregoing resolution was adopted by the City
3 Council of the City of Long Beach at its meeting of May 20, 2008, by the
4 following vote:

5 Ayes: Councilmembers: B. Lowenthal, S. Lowenthal, DeLong,
6 O'Donnell, Schipske, Andrews,
7 Reyes Uranga, Gabelich.

8
9 Noes: Councilmembers: None.

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11 Absent: Councilmembers: Lerch.

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15 _____
16 City Clerk

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5/12/08; rev. 5/21/08
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