

TRUSTEE SERVICES AGREEMENT

by and between

CITY OF LONG BEACH, CALIFORNIA

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Relating to:

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

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

Dated [_____], 2015

TRUSTEE SERVICES AGREEMENT

THIS TRUSTEE SERVICES AGREEMENT, dated [_____], 2015 (this “**Agreement**”), is made by and between the CITY OF LONG BEACH, CALIFORNIA (the “**City**”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the “**Trustee**”).

WITNESSETH:

WHEREAS, the City is a city organized and existing under a charter duly and regularly adopted pursuant to the provisions of the Constitution of the State of California;

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

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

WHEREAS, on [_____], 2015 the City, acting by and through the Board, issued (a) \$[_____] aggregate principal amount of its City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015A (the “**Series 2015A Senior Bonds**”), and (b) \$[_____] aggregate principal amount of its City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015B (the “**Series 2015B Senior Bonds**” and together with the Series 2015A Senior Bonds, the “**Series 2015 Senior Revenue Refunding Bonds**”), pursuant to Article XII of the Charter of the City, Title 3, Chapter 3.52, Division I of the Municipal Code of the City, certain provisions of the Revenue Bond Law of 1941, Section 54300, et seq., of the Government Code of the State of California, the Master Resolution, and Resolution No. HD-[_____] adopted by the Board on [_____], 2015 (the “**Eighteenth Supplemental Resolution**”);

WHEREAS, pursuant to the Master Resolution and the Eighteenth Supplemental Resolution, the Board has directed the Treasurer of the City (the “**Treasurer**”) to establish, maintain and hold in trust certain funds and accounts in connection with the issuance of the Series 2015 Senior Revenue Refunding Bonds;

WHEREAS, the Board adopted Resolution No. HD-1940 on November 2, 1998 (the “**Sixth Supplemental Resolution**”) which authorizes the Treasurer to contract with third party trustees to act as agents of the Treasurer to maintain and hold in trust certain funds and accounts (except the Harbor Revenue Fund) presently under the custody and control of the Treasurer with respect to any series of outstanding Bonds, including the Series 2015 Senior Revenue Refunding Bonds;

WHEREAS, the Treasurer wishes to contract with the Trustee to maintain and hold in trust the Series 2015AB Costs of Issuance Fund and the Series 2015AB Rebate Fund pursuant to the terms and conditions of the Eighteenth Supplemental Resolution in connection with the issuance of the Series 2015 Senior Revenue Refunding Bonds;

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

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

ARTICLE I
DEFINITIONS

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

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

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

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

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

“Investment Securities” shall mean any securities in which the City may legally invest, from time to time, funds subject to its control, including, without limitation, (i) shares in money market mutual funds which qualify as investments pursuant to Sections 53601 and 53635 of the Government Code of the State; (ii) shares in money market mutual funds the assets of which would otherwise qualify as investments pursuant to Sections 53601 and 53635 of the Government Code of the State except that such money market mutual funds include in their assets (a) registered warrants, treasury notes or bonds of any state within the United States and/or (b) bonds, notes, warrants or other evidence of indebtedness of any county, city, city and county or other public agency of any state within the United States; (iii) an investment agreement of any maturity with a financial institution or insurance company or insurance holding company which has, at the date of execution thereof, an outstanding issue of unsecured, uninsured and unguaranteed obligations, rated in either of the two highest long-term Rating Categories by Moody’s or Standard & Poor’s, or in the case of an insurance company has a claims paying ability rated in either of the two highest rating categories by Moody’s or Standard & Poor’s, or an investment agreement of any maturity with a Person that is a subsidiary of such a financial institution or such an insurance company or such an insurance holding company, provided that such Person’s obligations under such investment agreement are absolutely and unconditionally guaranteed by such financial institution or such insurance company or such insurance holding company; (iv) the City’s investment pool maintained by the Treasurer in accordance with the City’s adopted investment policy; (v) any other investments permitted under the City’s adopted investment policy; and (vi) such other investments that are provided for in the definition of Investment Securities in the Eighteenth Supplemental Resolution.

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

ARTICLE II

APPOINTMENT OF TRUSTEE

Section 2.01. Appointment and Acceptance. The City hereby appoints U.S. Bank National Association to act as trustee and agent to the City to maintain and hold in trust certain funds described herein and to perform such other duties as set forth in Article III hereof. The Trustee hereby accepts its appointment, and agrees to execute the trusts and perform the duties set forth in this Agreement.

ARTICLE III

DUTIES OF TRUSTEE

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

- (a) City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015AB Costs of Issuance Fund (the “**Series 2015AB Costs of Issuance Fund**”);
- (b) City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015AB Rebate Fund (the “**Series 2015AB Rebate Fund**”);

Section 3.02. Application of Series 2015 Bond Proceeds. On [_____], 2015 the Treasurer shall or shall cause to be deposited with the Trustee as follows:

- (a) \$[_____] (which will be derived from a portion of the proceeds of the Series 2015A Senior Bonds), which shall be deposited by the Trustee into the Series 2015AB Costs of Issuance Fund to be used to pay a portion of the Costs of Issuance of the Series 2015 Senior Revenue Refunding Bonds.
- (b) \$[_____] (which will be derived from a portion of the proceeds of the Series 2015B Senior Bonds), which shall be deposited by the Trustee into the Series 2015AB Costs of Issuance Fund to be used to pay a portion of the Costs of Issuance of the Series 2015 Senior Revenue Refunding Bonds.

Section 3.03. Application of Series 2015AB Costs of Issuance Fund.

(a) The Trustee shall make payments or disbursements from the Series 2015AB Costs of Issuance Fund upon receipt from an Authorized Representative of a written requisition, in substantially the form of Exhibit A attached hereto, executed by an Authorized Representative to pay the Costs of Issuance of the Series 2015 Senior Revenue Refunding Bonds. Moneys held in the Series 2015AB Costs of Issuance Fund shall be invested and reinvested by the Trustee at the written direction of the Treasurer in Investment Securities; in the absence of any such direction, the Trustee shall, to the extent practicable, invest in Investment Securities specified in item (ii) of the definition thereof. The Trustee shall keep a record of all payments from the Series 2015AB Costs of Issuance Fund, which record shall state: (i) the requisition number of such payment; (ii) the name and address of the person to whom each such payment was made, (iii) the respective amounts paid; and (iv) the purpose by general classification for which each obligation paid

was incurred. All investment earnings on amounts held in the Series 2015AB Costs of Issuance Fund shall be transferred to the Treasurer for deposit in the Interest Account of the Bond Service Fund.

Section 3.04. Application of Series 2015AB Rebate Fund.

(a) All money at any time deposited in the Series 2015AB Rebate Fund shall be held by the Trustee for the account of the City in trust, to the extent required to satisfy the rebate requirements with respect to the Series 2015 Senior Revenue Refunding Bonds, as applicable, for payment to the federal government of the United States of America, and neither the City nor the owner of any Series 2015 Senior Revenue Refunding Bonds shall have any rights in or claim to such money. The Trustee shall invest all amounts held in the Series 2015AB Rebate Fund, in the manner directed in writing by the Treasurer (subject to the limitations contained in the Series 2015AB Tax Compliance Certificate) in Investment Securities; in the absence of any such direction, the Trustee shall, to the extent practicable, invest in Investment Securities specified in item (ii) of the definition thereof. Moneys shall not be transferred from the Series 2015AB Rebate Fund except in accordance with the Series 2015AB Tax Compliance Certificate. The City shall provide the Trustee with written directions for the transfer of any moneys from the Series 2015AB Rebate Fund, and the Trustee may conclusively rely upon such directions.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Liability of Trustee. The Trustee shall not be liable for any loss resulting from any investment made pursuant to this Agreement in compliance with the express provisions hereof. Except to the extent all obligations to the Owners of the Series 2015 Senior Revenue Refunding Bonds shall have been satisfied, the Trustee shall have no lien whatsoever on the moneys on deposit in the funds established herein for the payment of fees and expenses for services rendered by the Trustee under this Agreement or otherwise.

Whenever in the administration of this Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of an Authorized Representative, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Trustee, be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Agreement upon the faith thereof.

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

may perform any of its duties under this Agreement or the Eighteenth Supplemental Resolution directly or through its agents or attorneys and shall not be responsible for the actions of such agents or attorneys if such agents or attorneys were appointed by it with reasonable care.

Section 4.02. Successor Trustee. Any corporation into which the Trustee and the trust created by this Agreement may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Trustee shall be a party or any corporation or association succeeding to the corporate trust business of the Trustee, shall be the successor Trustee under this Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

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

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

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

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

Section 4.07. Third-Party Beneficiaries and Amendments. The Owners of the Series 2015 Senior Revenue Refunding Bonds are hereby recognized as third-party beneficiaries of this Agreement to the extent of their interests in the funds as set forth in Article III hereof.

Section 4.08. Replacement and Resignation of Trustee. The City may remove the Trustee by notice in writing delivered to the Trustee thirty (30) days prior to the proposed removal date. The Trustee may resign by notifying the City in writing at least thirty (30) days prior to the proposed effective date of the resignation. No removal or resignation of the Trustee under this

Section shall be effective until a new Trustee, approved by the City, has taken office and delivered a written acceptance of its appointment to the retiring Trustee and to the City. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, the removal or resignation of the Trustee shall then (but only then) become effective and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Agreement. If the Trustee is removed or resigns or for any reason is unable or unwilling to perform its duties under this Agreement, the City shall promptly appoint a successor Trustee. If a successor Trustee has not been appointed and has not accepted such appointment by the end of the 30-day period, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee, and the costs, expenses and reasonable attorneys' fees incurred in connection with such a proceeding shall be paid by the City.

Section 4.09. Accounting Records and Reports of the Trustee. The Trustee shall at all times keep, or cause to be kept, proper records in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Series 2015 Senior Revenue Refunding Bonds and all funds established by it pursuant to this Agreement. Such records shall be available for inspection with reasonable prior notice by the City on each Business Day during reasonable business hours and by any Owner of the Series 2015 Senior Revenue Refunding Bonds, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

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

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

City:	City of Long Beach 333 West Ocean Boulevard, 6 th Floor Long Beach, California 90802 Attn: City Treasurer
Fiscal Agent:	U.S. Bank National Association Global Corporate Trust Services 633 West Fifth Street, 24th Floor LM-CA-T24T Los Angeles, California 90071 Attn: [_____]

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

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

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

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

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

[SIGNATURE PAGE TO FOLLOW]

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

CITY OF LONG BEACH CALIFORNIA

By: _____
David S. Nakamoto, City Treasurer

Approved as to form:

J. CHARLES PARKIN, City Attorney

By: _____
Senior Deputy City Attorney

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Representative

EXHIBIT A

FORM OF SERIES 2015AB COSTS OF ISSUANCE FUND REQUISITION

Requisition No. _____

To: U.S. Bank National Association
Global Corporate Trust Services
633 West Fifth Street, 24th Floor
LM-CA-T24T
Los Angeles, California 90071
Attention: [_____]

Re: Requisition of Funds from City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015AB Costs of Issuance Fund

The amount requisitioned: \$ _____

Payment to be made to: _____

Manner in which payment is to be made: _____

The undersigned, an Authorized Representative within the meaning of the Trustee Services Agreement, dated [_____], 2015 (the “**Trustee Services Agreement**”), by and between the City of Long Beach, California (the “**City**”), and U.S. Bank National Association, as trustee (the “**Trustee**”), hereby requisitions the amount set forth above and directs that such amount be paid to the party set forth above from funds held in the City of Long Beach, California Harbor Revenue Refunding Bonds, Series 2015AB Costs of Issuance Fund and directs that payment be made in the manner described above.

The amount to be paid represents a Cost of Issuance associated with the issuance of the Series 2015AB Bonds and the amount requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Series 2015AB Tax Compliance Certificate, dated [_____], 2015, relating to the Series 2015AB Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Eighteenth Supplemental Resolution (as defined in the Trustee Services Agreement).

Dated: _____

CITY OF LONG BEACH, CALIFORNIA

By _____
Title _____
Name _____