




City of Long Beach
Working Together to Serve

Memorandum

RECEIVED
CITY CLERK
LONG BEACH, CALIF.

10 OCT 15 AM 11:58

Date: October 15, 2010
To: Larry Herrera, City Clerk
From: David S. Nakamoto, City Treasurer 
Subject: Senior Airport Revenue Bonds Series 2010 A & 2010 B

Attached please find for your filing, the supporting documents for the Senior Airport Revenue Bonds Series 2010 A and 2010 B.

Should you have any questions, please feel free to contact me at 8.6845.

Thank you for your assistance.

DSN:mm
T:\Correspondence\Memo - City Clerk re Senior Airport Rev Bonds Series 2010 A-B Supporting Documents.doc
Attachments (3)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "*Certificate*") is executed and delivered by the City of Long Beach, California (the "*City*") in connection with the issuance of its City of Long Beach, California Senior Airport Revenue Bonds, Series 2010A (the "*Series 2010A Bonds*") and its City of Long Beach, California Senior Airport Revenue Bonds, Series 2010B (the "*Series 2010B Bonds*," and together with the Series 2010A Bonds, the "*Series 2010 Bonds*"). The Series 2010 Bonds will be issued pursuant to the Master Senior Trust Indenture, dated as of December 1, 2010, as amended (the "*Master Senior Indenture*"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "*Trustee*"), and the Second Supplemental Trust Indenture, dated as of November 1, 2010 (the "*Second Supplemental Senior Indenture*," and together with the Master Senior Indenture, the "*Indenture*"), by and between the City and the Trustee. Additionally, the Series 2010 Bonds have been authorized by Resolution No. RES-10-[] adopted by the City on October 19, 2010 (the "*Resolution*"). The Series 2010 Bonds are being issued under and in accordance with the Charter of the City of Long Beach and Sections 3.52.110 et seq. of the Long Beach Municipal Code.

In consideration of the purchase of the Series 2010 Bonds by the Participating Underwriter (as defined below), the City covenants and agrees as follows:

Section 1. Purpose of the Certificate. This Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Series 2010 Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Certificate.

"*Beneficial Owner*" means any person which (a) has or shares the power, directly or indirectly, to vote or consent with respect to, to make investment decisions concerning the ownership of, or to dispose of ownership of, any Series 2010 Bonds (including persons holding Series 2010 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2010 Bonds for federal income tax purposes.

"*Dissemination Agent*" means the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"*EMMA System*" means the MSRB's Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

"*Fiscal Year*" means the one-year period ending on September 30 of each year or such other period of 12 months designated by the City as its fiscal year.

“*GASB*” means the Governmental Accounting Standards Board.

“*Holder*” means either the registered owners of the Series 2010 Bonds, or if the Series 2010 Bonds are registered in the name of The Depository Trust Company or other recognized securities depository, any applicable participant in its depository system.

“*Listed Events*” means any of the events listed in Section 5(a) of this Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, or any successor thereto.

“*Obligated Person*” means the City and each airline or other entity using the Airport System under a lease or use agreement extending for more than one year from the date in question and including bond debt service as part of the calculation of rates and charges, under which lease or use agreement such airline or other entity has paid amounts equal to at least 20% of the Revenues of the Airport System for the prior two Fiscal Years.

“*Official Statement*” means the Official Statement, dated November 19, 2010, prepared and distributed in connection with the initial sale of the Series 2010 Bonds.

“*Participating Underwriter*” means any of the original underwriters of the Series 2010 Bonds required to comply with the Rule in connection with the offering of the Series 2010 Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*SEC*” means the United States Securities and Exchange Commission.

“*State*” means the State of California.

Section 3. Provision of Annual Reports.

(a) The City shall provide, or shall cause the Dissemination Agent, if the Dissemination Agent is other than the City, to provide, to the MSRB through the EMMA System (in an electronic format and accompanied by identifying information all as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Certificate by not later than 180 days after the end of the City’s Fiscal Year in each Fiscal Year. The City’s first Annual Report shall be due March 29, 2011. Not later than 15 Business Days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Certificate. The audited financial statements of the City may be submitted separately from the balance of the Annual Report if they are not available by the date of submission, provided such financial statements are submitted within 30 days from the date on which such financial statements become available. If the Fiscal Year changes, the City, upon becoming aware of such change, shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with subsection (a).

(c) If the City is unable to provide to the MSRB or the Dissemination Agent (if other than the City), an Annual Report by the date required in subsection (a), the City shall send a notice to the MSRB through the EMMA System in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent (or the City, as applicable) shall confirm in writing to the City that the Annual Report has been filed as required hereunder, stating the date filed.

(e) The City acknowledges that JetBlue Airways (“*JetBlue*”) is the only Obligated Person other than the City at present and is required by federal law to file annual reports with the SEC. The City takes no responsibility for the accuracy or completeness of such filings by JetBlue or by any future Obligated Person. Unless no longer required by the Rule to do so, the City agrees to use its reasonable best efforts to cause JetBlue (to the extent JetBlue is not otherwise required under federal law to do so), and any future Obligated Person, to make Annual Reports available as contemplated by this Section 3. Any change in Obligated Persons shall be reported by the City in connection with the Annual Reports.

Section 4. Content of Annual Reports.

(a) The City’s Annual Report shall contain or incorporate by reference the following, updated to incorporate information for the most recent fiscal or calendar year, as applicable (the tables referred to below are those appearing in the Official Statement relating to the Series 2010 Bonds, unless otherwise noted):

(i) Audited financial statements of the City, updated to incorporate information for the most recent Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by GASB, and as further modified according to applicable State law. If the City’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the usual format utilized by the City, and the audited financial statements shall be filed in the same manner as the Annual Report within 30 days from when they become available;

(ii) Table I — “Debt Service Requirements for Senior Bonds” (only if such information changes);

(iii) Table III — “Historical Enplanements” (only information pertaining to the Airport);

- (iv) Table IV — “Airlines Serving the Airport” (as of the first day of the current Fiscal Year);
- (v) Table V — “Historical Enplanements by Airline”;
- (vi) Table VII — “Historical Landed Weight by Airline”;
- (vii) Table VIII — “Historical Operating Results” (in the event such table is not ready to be filed with the Annual Report, such table must be filed within 30 days from when such information becomes available);
- (viii) Table IX — “Historical Airline Payments Per Enplaned Passenger”;
and
- (ix) Table X — “Historical Debt Service Coverage”; and

(b) All or any portion of the information of the Annual Report may be incorporated in the Annual Report by cross reference to any other documents which have been filed with the MSRB.

(c) Information contained in an Annual Report for any Fiscal Year containing any modified operating data or financial information (as contemplated by Section 8 hereof) for such Fiscal Year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such Fiscal Year. If a change in accounting principles is included in any such modification, such Annual Report shall present a comparison between the financial statements or information prepared on the basis of modified accounting principles and those prepared on the basis of former accounting principles.

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following Listed Events, if material:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults;
- (iii) unscheduled draws on the debt service reserves reflecting financial difficulties;

- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the Series 2010 Bonds;
- (vii) modifications to rights of bondholders;
- (viii) bond calls;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Series 2010 Bonds; and
- (xi) rating changes.

(b) Whenever a Listed Event occurs with respect to the Series 2010 Bonds, the City shall as soon as possible, but in no event more than ten (10) days following such event, determine if such event would be material under applicable federal securities laws.

(c) If the City determines that a Listed Event would be material under applicable federal securities laws, the City shall promptly provide written notice of such occurrence to the Dissemination Agent (if other than the City) or to the MSRB through the EMMA System. If the Dissemination Agent is not the City, upon receipt of written notice of a Listed Event the Dissemination Agent shall promptly provide such notice of a Listed Event to the MSRB through the EMMA System. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2010 Bonds pursuant to the Indenture.

Section 6. Termination of Reporting Obligation. The City's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment of amounts fully sufficient to pay and discharge the Series 2010 Bonds, or upon delivery to the Dissemination Agent (if other than the City) of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the Series 2010 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. From time to time, the City may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than the City) shall be entitled to reasonable compensation for its services hereunder and reimbursement of its out-of-pocket expenses (including, but not limited to, attorneys' fees). The Dissemination Agent (if other than the City)

shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Certificate.

Section 8. Amendment Waiver. Notwithstanding any other provision of this Certificate, the City may amend this Certificate, and any provision of this Certificate may be waived, provided that all of the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, change in law (including rules or regulations) or in interpretations thereof, or change in the identity, nature or status of an obligated person with respect to the Series 2010 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2010 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2010 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2010 Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Certificate, the City shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Certificate, any Holder or Beneficial Owner of the Series 2010 Bonds may take such

actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Dissemination Agent (if other than the City), as the case may be, to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Indenture and the sole remedy under this Certificate in the event of any failure of the City or the Dissemination Agent (if other than the City) to comply with this Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are expressly and specifically set forth in this Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any claims, losses, expenses and liabilities which such Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties given to the Dissemination Agent hereunder, including the costs and expenses (including attorneys' fees) of defending, in any manner or forum, against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct, subject to the Indenture. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2010 Bonds.

Section 12. Beneficiaries. This Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Holders and beneficial Owners from time to time of the Series 2010 Bonds, and shall create no rights in any other person or entity..

[End of Continuing Disclosure Certificate]

IN WITNESS WHEREOF, the undersigned has hereunto signed and executed this Certificate this 23rd day of November, 2010.

CITY OF LONG BEACH, CALIFORNIA

By _____
David Nakamoto, City Treasurer

[Signature page to Continuing Disclosure Certificate]

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Long Beach, California
Name of Bond Issue: City of Long Beach, California Senior Airport Revenue Bonds,
Series 2010A and City of Long Beach, California Senior Airport
Revenue Bonds, Series 2010B
Date of Issuance: November 23, 2010
CUSIP: 542403 ____

NOTICE IS HEREBY GIVEN that the City of Long Beach, California (the "City") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated November 23, 2010, executed by the City for the benefit of the holders and beneficial owners of the above-referenced bonds. The City anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____

CITY OF LONG BEACH, CALIFORNIA

By _____
Authorized Representative

\$ _____
CITY OF LONG BEACH, CALIFORNIA

\$ _____
**Senior Airport Revenue Bonds
Series 2010A
(Private Activity)**

\$ _____
**Senior Airport Revenue Bonds
Series 2010B
(Governmental)**

BOND PURCHASE AGREEMENT

_____, 2010

City of Long Beach
Long Beach, California

Ladies and Gentlemen:

The undersigned Morgan Stanley & Co., Incorporated (the "Representative"), on behalf of itself and as representative of Siebert Brandford Shank & Co., LLC (collectively, the "Underwriters"), offer to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the City of Long Beach, (the "City") which, upon the City's acceptance hereof, will be binding upon the City and upon the Underwriters. Capitalized terms used and not otherwise defined herein shall have the same meanings as set forth in the Resolution, the Master Senior Indenture and the Second Supplemental Senior Indenture (as such terms are hereinafter defined). This offer is made subject to (i) the written acceptance hereof by the City and (ii) withdrawal by the Representative upon written notice (by telecopy, electronic mail or otherwise) delivered to the City at any time prior to the acceptance hereof by the City.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations and warranties hereinafter set forth, the Underwriters hereby agree to purchase from the City for reoffering to the public, and the City hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of \$_____ aggregate principal amount of its Senior Airport Revenue Bonds, Series 2010A (Private Activity)(the "Series 2010A Bonds") and \$_____ aggregate principal amount of its Senior Airport Revenue Bonds, Series 2010B (Governmental) (the "Series 2010B Bonds" and collectively with the Series 2010A Bonds, the "Series 2010 Bonds").

The aggregate purchase price of the Series 2010A Bonds shall be \$_____ (representing the principal amount of the Series 2010A Bonds of \$_____, less a net original issue discount of \$_____ and less an Underwriters' discount of \$_____).

The aggregate purchase price of the Series 2010B Bonds shall be \$_____ (representing the principal amount of the Series 2010B Bonds of \$_____, plus original issue premium of \$_____ and less an Underwriters' discount of \$_____).

The City acknowledges and agrees that (i) the purchase and sale of the Series 2010 Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriters; (ii) in connection with such transaction, each Underwriter is acting solely

as a principal and not as an agent or a fiduciary of the City; (iii) the Underwriters have not assumed (individually or collectively) a fiduciary responsibility in favor of the City with respect to the offering of the Series 2010 Bonds or the process leading thereto (whether or not any Underwriter, or any affiliate of an Underwriter, has advised or is currently advising the City on other matters) or any other obligation to the City except the obligations expressly set forth in this Bond Purchase Agreement; and (iv) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Series 2010 Bonds.

The Series 2010 Bonds. The Series 2010 Bonds are special, limited obligations of the City and are secured by a pledge of and lien upon and shall be a charge upon and shall be payable from Net Revenues. The Series 2010 Bonds are being issued pursuant to the Charter of the City of Long Beach, Sections 3.52.110 et seq. of the Long Beach Municipal Code, the Master Senior Trust Indenture, dated as of December 1, 2009 (the "Master Senior Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Senior Trustee"), the Second Supplemental Senior Trust Indenture, to be dated as of [_____] 1, 2010 (the "Second Supplemental Senior Indenture and, collectively with the Master Senior Indenture and all supplements thereto, the "Senior Indenture"), by and between the City and the Senior Trustee, and a resolution adopted by the City Council of the City on [_____] 2010. In connection with the issuance of the Series 2010 Bonds, the City will enter into a Continuing Disclosure Certificate of the City, dated as of December 1, 2010 (the "Continuing Disclosure Certificate").

The Series 2010 Bonds shall be substantially in the form described in, and shall be issued and secured under and pursuant to, and shall be payable and subject to redemption as provided in, the Senior Indenture. The City hereby ratifies, confirms and approves the use by the Underwriters of the Official Statement, dated the date hereof, relating to the Series 2010 Bonds (which, together with the cover page and all appendices thereto, and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, is referred to herein as the "Official Statement").

The City hereby agrees to deliver or cause to be delivered to the Underwriters, no later than the earlier of the day prior to the Closing Date (as hereinafter defined) or seven business days after the date hereof, copies of the Official Statement in sufficient quantity to enable the Underwriters to comply with the rules of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. At the time of or prior to the Closing Date, the Underwriters shall file a copy of the Official Statement with the Municipal Securities Rulemaking Board or its designees through its Electronic Municipal Market Access System in the manner prescribed by the Securities and Exchange Commission. The Underwriters shall advise the City of the date of such filing.

The Series 2010 Bonds are being issued to: (a) finance certain capital improvements at the Airport, (b) refund [a portion] of the City's outstanding Subordinate Airport Commercial Paper Notes, (c) make a deposit to the Senior Reserve Fund, (d) fund a portion of the interest accruing on a portion of the Series 2010 Bonds through and including [_____] 20[___], and (e) pay the costs of issuance of the Series 2010 Bonds.

The Series 2010 Bonds shall be dated as of their initial date of delivery and shall bear interest at the rates and mature in the years as set forth in Schedule I hereto.

2. Offering by the Underwriters. The Underwriters agree to make a bona fide public offering of all the Series 2010 Bonds at not in excess of the respective initial public offering prices

set forth in the Official Statement. The Underwriters also reserve the right to (i) overallocate or effect transactions which stabilize or maintain the market prices of the Series 2010 Bonds at levels above those which might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time.

3. Use of Documents. The City hereby authorizes the use by the Underwriters of the Resolution, the Master Senior Indenture, the Second Supplemental Senior Indenture, the Official Statement and any supplements or amendments thereto, and the information contained in each of such documents, in connection with the public offering and sale of the Series 2010 Bonds.

4. Closing. At 8:00 A.M., Los Angeles, California time, on _____, 2010 or at such other time or on such other business day as shall have been mutually agreed upon by the City and the Underwriters (the "Closing Date"), the City will deliver the Series 2010 Bonds to the Underwriters through the facilities of The Depository Trust Company ("DTC") in New York, New York. Physical delivery of the Series 2010 Bonds shall be made to the Trustee, as agent for DTC under the Fast Automated Securities Transfer System. The Series 2010 Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co. as nominee of DTC, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the Series 2010 Bonds by wire transfer in immediately available funds at the offices of Kutak Rock LLP, 18201 Von Karman, Suite 1100, Irvine, California 92612-1077 or such other place as shall have been mutually agreed upon by the City and the Underwriters. Such delivery of and payment for the Series 2010 Bonds as described in this paragraph is referred to herein as the "Closing."

5. Representations, Warranties and Covenants of the City. The City represents, warrants and covenants to the Underwriters that:

(a) The City is a municipal corporation and chartered city duly organized and existing under its Charter and the Constitution and the laws of the State of California (the "State"). The City is authorized by the provisions of Section 1721 of the Charter of the City and Title 3, Chapter 3.52, Division I of the Municipal Code of the City, among other things, (i) to issue revenue bonds, such as the Series 2010 Bonds, for the purposes described in the Resolution, and (ii) to secure the Series 2010 Bonds in the manner contemplated by the Resolution;

(b) The City has the full right, power and authority (i) to adopt the Resolution, (ii) to enter into the Master Senior Indenture, (iii) to enter into the Second Supplemental Senior Indenture, (iv) to enter into this Bond Purchase Agreement, (v) to issue, sell and deliver the Series 2010 Bonds to the Underwriters as provided herein, and (vi) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the City has complied with all provisions of applicable law in all matters relating to such transactions;

(c) The City has duly authorized (i) the execution and delivery of the Series 2010 Bonds and the execution, delivery and due performance of this Bond Purchase Agreement, the Resolution, the Master Senior Indenture, the Second Supplemental Senior Indenture and the Continuing Disclosure Certificate, and (ii) the taking of any and all such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by such instruments;

(d) The Series 2010 Bonds are special limited obligations of the City and are payable, as to principal and premium, if any, thereof and interest thereon, from a pledge of and lien on Net Revenues;

(e) All approvals and consents of the City which would constitute a condition precedent to the performance by the City of its obligations hereunder and under the Resolution, the Master Senior Indenture, the Second Supplemental Senior Indenture, the Continuing Disclosure Certificate and the Series 2010 Bonds have been obtained and are in full force and effect. No other material authorization, consent or approval of, or filing or registration with, any Governmental Authority (as defined below) or court is, or under existing requirements of law will be, necessary for the valid execution, delivery or performance by the City of this Bond Purchase Agreement, the Master Senior Indenture, the Second Supplemental Senior Indenture, the Continuing Disclosure Certificate or the Resolution other than any authorization, consent, approval, filing or registration as may be required under the Blue Sky or securities laws of any state in connection with the offering, sale or issuance of the Series 2010 Bonds. All authorizations, consents or approvals of, or filings or registrations with any Governmental Authority or court necessary for the valid issuance of, and performance by the City of its obligations under, the Series 2010 Bonds will have been duly obtained or made prior to the issuance of the Series 2010 Bonds (and disclosed to the Underwriters). As used herein, the term "Governmental Authority" refers to any legislative body or governmental official, department, commission, board, bureau, agency, instrumentality, body or public benefit corporation;

(f) The adoption of the Resolution and execution and delivery of this Bond Purchase Agreement, the Second Supplemental Senior Indenture, the Continuing Disclosure Certificate and the Series 2010 Bonds, and compliance with the provisions thereof, will not conflict with or constitute a material breach of or default under (i) any material statute, indenture, mortgage, note or other agreement or instrument to which the City is a party or by which it is bound, (ii) any provision of the State Constitution or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the City (or the members of the City Council) is subject;

(g) Except as will be specifically disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the City or the City Council or, to the best knowledge of the City, threatened, which in any way (i) questions the powers of the City referred to in paragraph (b) above, or the validity of any proceeding taken by the City in connection with the issuance of the Series 2010 Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Bond Purchase Agreement, or of any other document or instrument required or contemplated by this financing; (ii) could adversely affect the validity or enforceability of the Series 2010 Bonds, the Resolution, the Master Senior Indenture, the Second Supplemental Senior Indenture, the Continuing Disclosure Certificate or this Bond Purchase Agreement; (iii) questions the exclusion from gross income of the recipients thereof of the interest on the Series 2010 Bonds for federal income tax purposes or in any other way questions the status of the Series 2010 Bonds under federal or state tax laws or regulations; or (iv) could materially adversely affect the ability of the City to pay interest or principal with respect to the Series 2010 Bonds when due or to otherwise perform any of its obligations under the Resolution, the Senior Indenture and the Continuing Disclosure Certificate;

(h) The Series 2010 Bonds will be issued in accordance with the Resolution and the Senior Indenture and will conform in all material respects to the descriptions thereof contained in the Official Statement;

(i) Any certificate signed by any official or other representative of the City and delivered to the Underwriters pursuant to this Bond Purchase Agreement shall be deemed a representation and warranty by the City to the Underwriters as to the truth of the statements therein made;

(j) The City has never been in default at any time, as to principal of or interest on any obligation which it has issued, except as otherwise specifically disclosed in the Official Statement; and, other than the Senior Indenture, neither the City nor the City Council has entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Net Revenues pledged to the payment of the Series 2010 Bonds except as will be specifically disclosed in the Official Statement and, other than in the ordinary course of its business or as contemplated by the Official Statement, between the date of this Bond Purchase Agreement and the Closing Date, the City will not offer or issue any certificates, bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Net Revenues;

(k) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order (i) to qualify the Series 2010 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (ii) to determine the eligibility of the Series 2010 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the initial distribution of the Series 2010 Bonds; provided, however, that the City shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction;

(l) The Official Statement (excluding therefrom the information relating to and provided by DTC) will be true and correct in all material respects, and the Official Statement will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(m) If the Official Statement is supplemented or amended pursuant to paragraph (n) of this Section 6, at the time of each supplement or amendment thereto, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(n) If between the date of this Bond Purchase Agreement and the date which is 25 days following the Closing Date any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made,

not misleading, the City shall notify the Underwriters, and if in the opinion of the Underwriters such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriters;

(o) The financial statements of, and other financial information regarding the Enterprise contained in the Official Statement fairly present the financial position and results of the operations of the Enterprise as of the dates and for the periods therein set forth, and, to the best of the City's knowledge, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, and (ii) the other historical financial information has been determined on a basis substantially consistent with that of the audited financial statements concerning the Enterprise included in the Official Statement;

(p) The City shall not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Series 2010 Bonds to be applied in a manner other than as provided in the Second Supplemental Senior, or which would cause the interest on the Series 2010 Bonds to be includable in gross income for federal income tax purposes; and

(q) The City has not failed to comply in the last five years in all material respects with any continuing disclosure undertakings with regard to Rule 15c2-12(b)(5) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), to provide annual reports or notices of material events specified in such rule.

6. Closing Conditions. The Underwriters have entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the City contained herein, the covenants of the City contained in the Resolution and the Continuing Disclosure Certificate, and the performance by the City of its obligations hereunder, as of the date hereof and as of the Closing Date. The Underwriters' obligations under this Bond Purchase Agreement are and shall be subject to the following further conditions:

(a) The representations and warranties of the City contained in Section 5 herein shall be true, complete and correct in all material respects on the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriters at the Closing pursuant hereto shall be true, complete and correct in all material respects at the Closing; the City shall be in compliance with each of the agreements made by it in this Bond Purchase Agreement (unless such agreements are waived by the Underwriters); and there shall not have occurred an adverse change in the financial position, results of operations or financial condition of the City which materially adversely affects the ability of the City to pay interest or principal with respect to the Series 2010 Bonds when due or to otherwise perform any of its obligations under the Resolution, the Senior Indenture and the Continuing Disclosure Certificate;

(b) At the time of the Closing, the Official Statement, the Resolution, the Master Senior Indenture, the First Supplemental Senior Indenture, the Continuing Disclosure Certificate and this Bond Purchase Agreement shall be in full force and effect, and shall not have been amended, modified or supplemented (except as may be agreed to in writing by the Underwriters and the City); all actions which, in the opinion of Kutak Rock LLP, Denver,

Colorado, Bond Counsel to the City (“Bond Counsel”), shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and the City shall perform or have performed its obligations required under or specified in this Bond Purchase Agreement, the Official Statement, the Senior Indenture, the Continuing Disclosure Certificate and the Resolution to be performed at or prior to the Closing;

(c) At the time of the Closing, the Official Statement (as amended and supplemented) shall be true and correct in all material respects, and shall not omit any statement or information necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(d) Except as disclosed in the Official Statement or in a schedule delivered to the Underwriters at the Closing, no decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Bond Purchase Agreement (and not reversed on appeal or otherwise set aside) which has any of the effects described in Section 6(f) hereof;

(e) (i) No default by the City shall have occurred and be continuing in the payment of the principal of or premium, if any, or interest on any bond, note or other evidence of indebtedness issued by the City and (ii) no bankruptcy, insolvency or other similar proceeding in respect of the City shall be pending or to the knowledge of the City contemplated;

(f) The Underwriters may terminate this Bond Purchase Agreement by notification to the City if at any time after the date hereof and prior to the Closing:

(1) Legislation shall have been enacted by the United States or the State or shall have been reported out of committee or be pending in committee, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or a regulation, proposed regulation or a temporary regulation or an official statement (final, temporary or proposed) shall have been published in the Federal Register or any other release or announcement shall have been made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, with respect to federal or State taxation upon revenues or other income or payments of the general character to be derived by the City or upon interest received on obligations of the general character of the Series 2010 Bonds, which in the reasonable opinion of the Underwriters materially adversely affects the market for the Series 2010 Bonds;

(2) Legislation shall have been enacted or actively considered for enactment or introduced, but only if such legislation would have an effective date prior to the Closing Date, or a decision by a court of the United States shall be made, the effect of which is that the offering or sale of the Series 2010 Bonds or the adoption of the Resolution and the execution of the Second Supplemental Indenture as contemplated herein is or would be in violation of the registration, qualification or other requirements of the Securities Act of 1933, as amended (the “Securities Act”), and as then in effect, the Exchange Act and as then in effect, or the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), and as then in effect;

(3) A stop order, ruling or regulation by the Securities and Exchange Commission shall be issued or made, but only if such stop order, ruling or regulation would have an effective date prior to the Closing Date and the effect of which is that the issuance, offering or sale of the Series 2010 Bonds, the adoption of the Resolution or the execution, delivery or performance of the Master Senior Indenture or the Second Supplemental Senior Indenture, as contemplated hereby or by the final Official Statement, is or would be in violation of any provision of the Securities Act and as then in effect, of the Exchange Act and as then in effect, or of the Trust Indenture Act and as then in effect;

(4) The United States shall have become engaged in hostilities or escalated hostilities which have resulted in a declaration of war or a national emergency, or the President of the United States of America shall have committed the armed forces of the United States of America to combat, or hostilities or any commitment of armed forces shall have escalated, if such hostilities, commitment or escalation has a material adverse impact on the financial markets in the United States of America and in the reasonable opinion of the Underwriters materially adversely affects the market for the Series 2010 Bonds;

(5) There shall have occurred a general suspension of trading on the New York Stock Exchange, or a general banking moratorium shall have been declared by federal, California or New York authorities having jurisdiction and being in force or a major national or financial crisis or a material disruption in commercial banking or securities settlement or clearance services shall have occurred;

(6) There shall have occurred a change in the financial position, results of operations or financial condition of the Airport which in the reasonable opinion of the Underwriters materially adversely affects the market for the Series 2010 Bonds;

(7) any rating of the Series 2010 Bonds shall have been changed, withdrawn, suspended or placed on "credit watch," or "negative outlook" and such action, in the reasonable opinion of the Representative, shall materially and adversely affect the market price for the Series 2010 Bonds;

(8) in the reasonable judgment of the Representative, the market for any Bonds or of obligations of the general character of the Series 2010 Bonds might be adversely affected because either (i) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange or (ii) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall have imposed, as to any Bonds or similar obligations, any material, restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters; or

(9) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a

material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) At or prior to the Closing, the Underwriters shall receive the following documents:

(1) The opinion (or opinions) of Bond Counsel, dated the Closing Date, in substantially the form included in the Official Statement as Appendix E, addressed to the City and the Underwriters (or accompanied by a reliance letter to the Underwriters);

(2) A supplemental opinion of Bond Counsel, in form and substance satisfactory to the Underwriters, addressed to the City and the Underwriters, dated the Closing Date, to the effect that:

(i) the Series 2010 Bonds are exempt from registration pursuant to Section 3(a)(2) of the Securities Act, and the Resolution, the Master Senior Indenture and the Second Supplemental Senior Indenture are exempt from qualification pursuant to the Trust Indenture Act;

(ii) this Bond Purchase Agreement, the Master Senior Indenture, the Second Supplemental Senior Indenture and the Continuing Disclosure Certificate have each been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto in the case of this Bond Purchase Agreement, the Master Senior Indenture, the Second Supplemental Senior Indenture, this Bond Purchase Agreement, the Master Senior Indenture, the Second Supplemental Senior Indenture and the Continuing Disclosure Certificate each constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, moratorium, insolvency, reorganization or other laws affecting the enforcement of creditors' rights or remedies heretofore or hereafter enacted and it subject to general principles of equity regardless of whether such enforceability is considered in a proceeding in equity or at law;

(iii) the statements in the Official Statement under the captions "Description of the Series 2010 Bonds," "Security and Sources of Payment for the Series 2010 Bonds," "Tax Matters," "Continuing Disclosure," Appendix C – "Certain Definitions and Summaries of the Master Senior Indenture and the Second Supplement Senior Indenture," and Appendix D – "Form of Continuing Disclosure Certificate" insofar as such statements purport to summarize certain provisions of the Resolution, the Master Senior Indenture, the Second Supplemental Senior Indenture, the Continuing Disclosure Certificate or the Series 2010 Bonds and the approving opinion of Bond Counsel, are accurate in all material respects; and

(3) An opinion of the City Attorney in form and substance as attached hereto as Exhibit A;

(4) A letter from Kutak Rock LLP, Disclosure Counsel, dated the Closing Date, addressed to the City and the Underwriters, substantially to the effect that, although they have made no independent investigation or verification of the accuracy, correctness, fairness or completeness of, and do not pass upon or assume any responsibility for, the statements included in the Official Statement, no information came to the attention of the attorneys in such counsel's firm rendering legal services in connection with the issuance and delivery of the Series 2010 Bonds which causes them to believe that the Official Statement (excluding the information contained under the captions "Litigation," Appendix A – "Report of the Airport Consultant", Appendix B – "Audited Financial Statements of the Airport Enterprise Fund for the Years Ended September 30, 2009 and 2008" and Appendix F – "Book-Entry-Only System" and the financial statements, financial, statistical and numerical information, forecasts, estimates, assumptions and expressions of opinion included therein, as to which no view need be expressed), as of its date or the date of the opinion, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(5) an opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Underwriters' Counsel, dated the Closing Date, addressed to the Underwriters, in form and substance satisfactory to the Underwriters;

(6) a certificate, dated the Closing Date, of the City executed by a duly authorized officer of the City, to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the City or to which the property of the City is the subject or, to the knowledge of the City, threatened against or affecting the City to restrain or enjoin the City's participation in, or in any way contesting the existence of the City or the powers of the City with respect to, the transactions contemplated by this Bond Purchase Agreement, the Resolution, the Official Statement, the Master Senior Indenture, the Second Supplemental Senior Indenture and the Continuing Disclosure Certificate, and the consummation of such transactions or which could materially and adversely affect the properties, operations or financial condition of the City; (B) the representations and warranties of the City contained in this Bond Purchase Agreement are true and correct in all material respects, and the City has complied with all agreements and covenants and satisfied all conditions contemplated by the Resolution, the Official Statement, the Master Senior Indenture, the Second Supplemental Senior Indenture, the Continuing Disclosure Certificate and this Bond Purchase Agreement; (C) the Official Statement (other than the descriptions contained in Appendix F – "Book-Entry-Only System" does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (D) the City has full power and authority to perform its duties in accordance with the Master Senior Indenture and the First Supplemental Senior Indenture; (E) the City has duly taken all necessary action to approve the execution of the Master Senior Indenture and the Second Supplemental Senior Indenture and has duly authorized, executed and delivered the Master Senior Indenture and the Second Supplemental Senior Indenture and the performance by the City of the duties

thereunder and, assuming due, valid and binding authorization, execution and delivery by the Trustee, the Master Senior Indenture and the Second Supplemental Senior Indenture constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms and (F) all of the representations and warranties of the City contained in this Bond Purchase Agreement are true and correct as if made on the Closing Date ;

(7) certified copies of the Resolution relating to the Series 2010 Bonds and executed counterparts of this Bond Purchase Agreement, Master Senior Indenture, the Second Supplemental Senior Indenture, the Continuing Disclosure Certificate, the Official Statement and each other legal document executed and delivered in connection with the issuance of the Series 2010 Bonds;

(8) a Tax Compliance Certificate of the City, in form satisfactory to Bond Counsel, signed by an appropriate officer of the City;

(9) evidence that the ratings on the Series 2010 Bonds of “__” by Moody’s Investors Service, Inc., “___” by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. and “__” by Fitch Ratings are in full force and effect on the Closing Date;

(10) a certificate, dated the Closing Date, of the Trustee, signed by a duly authorized officer of the Trustee, to the effect that:

(i) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America and has full corporate power to undertake the duties of the Trustee under the Senior Indenture;

(ii) the Trustee has full power and authority under its Amended and Restated Bylaws to perform the duties of Trustee for the Series 2010 Bonds in accordance with the Senior Indenture;

(iii) The Trustee has duly taken all necessary corporate action to approve the execution of the Master Senior Indenture and the Second Supplemental Senior Indenture, and has duly authorized, executed and delivered the Master Senior Indenture and the Second Supplemental Senior Indenture and the performance by the Trustee of the duties thereunder;

(iv) the Series 2010 Bonds have been duly authenticated and executed by the Trustee; and

(v) to the best of such officer’s knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Trustee (either in state or federal courts), or to the best of such officer’s knowledge, threatened against or affecting the Trustee which would restrain or enjoin the execution or delivery of the Master Senior Indenture or the Second Supplemental Senior Indenture or which would affect the validity or enforceability of the Master

Senior Indenture or the Second Supplemental Senior Indenture, or the Trustee's participation in, or in any way contesting the powers or the authority of the Trustee with respect to, the transactions contemplated by the Resolution, Master Senior Indenture, the Second Supplemental Senior Indenture or any other agreement, document or certificate related to such transactions;

(11) an opinion of [[Davis Wright Tremaine LLP]], counsel to the Trustee in form and substance satisfactory to the Underwriters dated the Closing Date, addressed to the City and the Underwriters, to the effect that:

(i) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America;

(ii) the Trustee has duly authorized the Master Senior Indenture and the Second Supplemental Senior Indenture;

(iii) the Trustee has taken all corporate actions necessary to assume the duties and obligations of the Trustee under the Master Senior Indenture and the Second Supplemental Senior Indenture;

(iv) the duties and obligations of the Trustee under the Master Senior Indenture and the Second Supplemental Senior Indenture, respectively, have been duly acknowledged and accepted by the Trustee and assuming due, valid and binding authorization, execution and delivery by the City, the Master Senior Indenture and the Second Supplemental Senior Indenture each constitute a legal, valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought;

(v) acceptance by the Trustee of its duties and obligations under the Master Senior Indenture and the Second Supplemental Senior Indenture and compliance with provisions thereof will not conflict with or constitute a breach of or default under any law or administrative regulation to which the Trustee is subject; and

(vi) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the performance by the Trustee of its duties and obligations under the Master Senior Indenture and the Second Supplemental Senior Indenture have been obtained and are in full force and effect;

(12) executed copies of the 2009 Report of the Airport Consultant and the 2010 Letter Report of the Airport Consultant (together, the "Report of the Airport Consultant") of Ricondo & Associates, Inc. (the "Airport Consultant");

(13) a certificate of a duly authorized representative of the Airport Consultant dated the Closing Date to the effect that: (A) the assumptions, projections and conclusions set forth in the Report of the Airport Consultant are reasonable; (B) the Report of the Airport Consultant has been summarized in and appended to the Preliminary Official Statement and the Official Statement with their permission; (C) the Report of the Airport Consultant does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; and (D) nothing has come to the attention of the Report of the Airport Consultant since the date of the Report of the Airport Consultant that would materially adversely affect the assumptions, projections or conclusions set forth in the Report of the Airport Consultant or call into question the reasonableness of such assumptions, projections or conclusions;

(14) a copy of the DTC Blanket Letter of Representations relating to the Series 2010 Bonds;

(15) copies of the Report of Proposed Debt Issuance and the Report of Final Sale required to be delivered by the California Debt and Investment Advisory Commission; and

(16) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters or Bond Counsel may reasonably request to evidence compliance by the City with legal requirements, the accuracy, as of the time of Closing, of the City's representations herein contained and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City.

If the City shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Bond Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the City nor the Underwriters shall have any further obligation hereunder, nor any liability to any other party with respect to such termination. In the event that the Underwriters fail (other than for a reason permitted herein) to accept and pay for the Series 2010 Bonds at the Closing, the amount equal to one percent of the principal amount of the Series 2010 Bonds set forth in Section 1 hereof shall be full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. The acceptance of such amounts shall constitute a full release and discharge of all claims and rights of the City against the Underwriters for such failure or default.

7. Conditions to Performance of the City. The performance by the City of its obligations is conditioned upon (i) the performance by the Underwriters of its obligations hereunder and (ii) receipt by the City and the Underwriters of opinions and certificates being delivered at the Closing by persons and entities other than the City.

8. Payment of Costs and Expenses. The Underwriters shall be under no obligation to pay and the City shall pay or cause to be paid the expenses incident to the performance of their obligations hereunder including, but not limited to, (i) the cost of preparation, including word processing, printing and reproduction; (ii) the costs of distribution and delivery of the Official Statement and this Bond Purchase Agreement, in reasonable quantities; (iii) the fees for ratings

agencies; (iv) the fees and expenses of the financial advisor to the City; (v) the fees and expenses of Bond Counsel and Disclosure Counsel for the City, and the Airport Consultant; and (vi) any expenses incurred on behalf of the City's employees which are incidental to the issuance of the Series 2010 Bonds, including but not limited to meals, transportation, lodging and entertainment of those employees.

The Underwriters shall pay only: (i) the cost of preparation, distribution and delivery of copies greater than 350 of the Official Statement; (ii) the costs of traveling and expenses of selling the Series 2010 Bonds; (iii) the fees for the California Debt and Investment Advisory Committee; (iv) any fees charged by the Municipal Securities Rulemaking Board; (v) Blue Sky fees; and (vi) the fees and expenses of counsel to the Underwriters.

9. Indemnification. The City shall indemnify and hold harmless, to the extent permitted by law, the Underwriters and their respective directors, officers, employees and agents and each person who controls such Underwriter within the meaning of Section 15 of the Securities Act (any such person being herein sometimes called an "Indemnified Party"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Official Statement (other than the descriptions contained in Appendix F – "Book-Entry-Only System) or the omission or alleged omission to state in the Official Statement a material fact necessary to make the statements therein not misleading; provided, however, that the City shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement of a material fact in Appendix F – "Book-Entry Only System" in the Official Statement, or any amendment thereof or supplement thereto, or the omission or alleged omission to state therein not misleading to the extent that any such statement or omission occurred solely with respect to information provided in writing by the Underwriters to the City specifically for use with respect to the information under the caption "Underwriting" in the Official Statement. This indemnity agreement shall not be construed as a limitation on any other liability which the City may otherwise have to any Indemnified Party, provided that in no event shall the City be obligated for double indemnification.

The Underwriters agree to indemnify and hold harmless the City, each of its officials, directors, officers and employees, and each person who controls the City within the meaning of either the Securities Act or the Exchange Act, to the same extent as the foregoing indemnity from the City to the Underwriters, but only with reference to written information relating to the Underwriters furnished to the City by or on behalf of the Underwriters specifically for inclusion in the Preliminary Official Statement or the Official Statement (or in any amendment or supplement thereto) under the caption "Underwriting." This indemnity agreement will be in addition to any liability which the Underwriters may otherwise have.

An Indemnified Party shall, promptly after the receipt of notice of any action against such Indemnified Party in respect of which indemnification may be sought against the City, notify the City in writing, but the omission to notify the City of any such action shall not relieve the City from any liability which it may have to such Indemnified Party otherwise than under the indemnity agreement contained herein. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the City of the commencement thereof, the City may, or if so

requested by such Indemnified Party shall, participate therein or assume the defense thereof, at the City's expense, with counsel satisfactory to such Indemnified Party, and after notice from the City to such Indemnified Party of an election so to assume the defense thereof, the City will not be liable to such Indemnified Party under this paragraph for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation, except as hereinafter provided. If the City shall not have employed counsel to have charge of the defense of any such action or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the City (in which case the City shall not have the right to direct the defense of such action on behalf of such Indemnified Party), such Indemnified Party shall have the right to retain legal counsel of its own choosing and reasonable legal and other expenses incurred by such Indemnified Party shall be borne by the City, provided that in no event shall the City be obligated to pay more than one firm of lawyers with respect to the defense of any Indemnified Party.

The City shall not be liable for any settlement of any such action effected without its consent by any Indemnified Party, but if settled with the consent of the City or if there be a final judgment for the plaintiff in any such action against the City or any Indemnified Party, with or without the consent of the City, the City agrees to indemnify and hold harmless such Indemnified Party to the extent provided herein.

In order to provide for just and equitable contribution in circumstances in which indemnification hereunder is for any reason held to be unavailable from the City, to the extent permitted by law, then each party shall contribute to the aggregate losses, claims, damages and liabilities (including any investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted, to which the City and the Underwriters may be subject) in such proportion so that the Underwriters are responsible for that portion represented by the percentage that the underwriting discount set forth in the Official Statement bears to the public offering price appearing thereon and the City is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph, each person, if any, who controls the Underwriters within the meaning of the Securities Act shall have the same rights to contribution as the Underwriters. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph, notify such party or parties from whom contribution may be sought, but the omission so to notify shall not relieve that party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise that under this paragraph. No party shall be liable for contribution with respect to any action or claim settled without its consent.

10. Notices. Any notice or other communication to be given to the City under this Bond Purchase Agreement may be given by delivering the same in writing to City of Long Beach, 333 West Ocean Boulevard – 6th Floor, Long Beach, California 90802, Attention: City Treasurer (or to such other person as he may designate in writing), and any notice or other communication to be given to the Underwriters under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing to 1999 Avenue of the Stars, Suite 2400, Los Angeles, CA 90067. The approval of the Underwriters when required hereunder or the determination of their satisfaction as to any document referred to herein

shall be in writing signed by an authorized representative of Morgan Stanley & Co., Incorporated, as representative of the Underwriters, and delivered to the City.

11. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the City and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties and covenants contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Series 2010 Bonds pursuant to this Bond Purchase Agreement; and (iii) any termination of this Bond Purchase Agreement.

12. Effectiveness. This Bond Purchase Agreement shall become effective upon the execution of the acceptance by a duly authorized officer of the City and shall be valid and enforceable at the time of such acceptance.

13. Default. For all purposes of this Bond Purchase Agreement, a default shall not be deemed to be continuing if it has been cured, waived or otherwise remedied.

14. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

15. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed within such state.

16. Counterparts. This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

This Bond Purchase Agreement when accepted by the City in writing as heretofore specified shall constitute the entire agreement between the City and the Underwriters and is made solely for the benefit of the City and the Underwriters (including the successors or assigns of the Underwriters or any members of the Syndicate, if any). No other person shall acquire or have any right hereunder or by virtue hereof.

Very truly yours,

Morgan Stanley & Co., Incorporated
Siebert Brandford Shank & Co., LLC

By: _____
Title:

ACCEPTED:

CITY OF LONG BEACH

By: _____
Authorized Representative

SCHEDULE I

\$[_____]]
City of Long Beach, California
Senior Airport Revenue Bonds
Series 2010A

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
---	-----------------------------------	--------------------------------	--------------

\$ _____ % Term Bonds due June 1, 20____, Yield: _____%

\$[_____]]
City of Long Beach, California
Senior Airport Revenue Bonds
Series 2010B

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
---	-----------------------------------	--------------------------------	--------------

\$ _____ % Term Bonds due June 1, 20____, Yield: _____%

EXHIBIT A
[LETTERHEAD OF CITY ATTORNEY]

_____, __ 20__

City of Long Beach
925 Harbor Plaza
Long Beach, California 90802

[UNDERWRITERS]

RE: \$ _____ Senior Airport Revenue Bonds, Series 2010A (Private Activity)
 \$ _____ Senior Airport Revenue Bonds, Series 2010B (Governmental)

Ladies and Gentlemen:

I am the City Attorney to the City of Long Beach, California (the "City"), a charter city organized and existing under the laws of the State of California (the "State"). I am rendering the opinions set forth herein in connection with the issuance of the Senior Airport Revenue Bonds, Series 2010A (Private Activity) (the "Series 2010A Bonds") and the Senior Airport Revenue Bonds, Series 2010B (Governmental) (the "Series 2010B Bonds" and collectively, with the Series 2010A Bonds, the "Series 2010 Bonds"). The Series 2010 Bonds are authorized to be issued under the Charter of the City of Long Beach, California (the "City Charter"), Title 3, Chapter 3.52, Division I of the Municipal Code of the City and Resolution No. RES-10-____ of the City Council of the City, adopted on _____, __ 2010 (the "Resolution"). All capitalized terms used herein or as the context otherwise requires, shall have the meanings set forth in the Resolution.

In such connection, I have examined and reviewed the Resolution, the Master Senior Trust Indenture, dated as of December 1, 2009 (the "Master Senior Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Senior Trustee") and the Second Supplemental Senior Trust Indenture, to be dated as of [_____] 1, 2010 (the "Second Supplemental Senior Indenture, and collectively with the Master Senior Indenture and all supplements thereto, the "Senior Indenture"), by and between the City and the Senior Trustee, and a resolution adopted by the City Council of the City on [_____] 2010, a continuing disclosure certificate of the City, dated as of December 1, 2010 (the "Continuing Disclosure Certificate"), the Bond Purchase Agreement, dated _____, 2010 (the "Bond Purchase Agreement") by and between Morgan Stanley & Co., Incorporated, as representative of the underwriters named therein and the City, the Official Statement, dated _____, 2010 (the "Official Statement"), the Tax Compliance Certificate, dated _____, 2010 (the "Tax Compliance Certificate"), by the City, and such of the documents and matters as I have deemed necessary to render the opinions set forth herein. The Master Senior Indenture, the Second Supplemental Senior Indenture, the Bond Purchase Agreement, the Continuing Disclosure Certificate, and the Tax Compliance Certificate are collectively hereinafter referred to as the "Bond Documents."

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. The enforceability of the Resolution, and the Bond Documents, to the extent such opinions are given herein, may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, or other laws affecting the enforcement of creditors' rights and the application of

equitable principles (regardless of whether the issue of enforceability is considered in a proceeding at law or in equity).

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, I am of the opinion that:

(a) The City is a municipal corporation duly organized and validly existing under and by virtue of the City Charter and the Constitution and laws of the State of California;

(b) The Resolution approving and authorizing the issuance of the Series 2010 Bonds and the execution and delivery of the Bond Documents and the Official Statement was duly adopted at meetings of the City Council, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and have not been amended from the dates of their respective adoption;

(d) Except as disclosed in the Official Statement, to the best of my knowledge, after due investigation (which only involved conversations with the City Clerk), there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the City to restrain or enjoin the City's participation in, or in any way contesting the existence of the City or the powers of the City with respect to, the transactions contemplated by the Resolution, the Bond Documents and the Official Statement and the consummation of such transactions;

(e) Except as disclosed in the Official Statement, there does not exist any action, suit, proceeding or investigation pending, or to my knowledge after due investigation (which only involved conversations with the City Clerk) threatened, which if adversely determined, could (i) materially adversely affect (A) the financial position of the Department; (B) the ability of the City to perform its obligations under the Bond Documents; (C) the security of the Series 2010 Bonds; or (D) the transactions contemplated by the Bond Documents and the Official Statement; or (ii) materially impair the ability of the City, to maintain and operate the Long Beach Airport and all related facilities;

(f) To my knowledge, the execution and delivery of the Series 2010 Bonds, the Bond Documents and the Official Statement and compliance with the terms thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City are parties or by which they are bound or any court order or consent decree to which the City is subject.

(g) Based on my examination and my participation at conferences at which the Official Statement was discussed, I believe that the statements contained in the Official Statement under the caption "Litigation" do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(h) The Series 2010 Bonds have been duly issued, authorized, executed and delivered by the City.

(i) The Bond Documents and the Official Statement have been duly authorized, executed and delivered by the City.

(j) To my knowledge, no authorization, approval, consent or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the City is required for the valid authorization, execution and delivery by the City of the Series 2010 Bonds, the Bond Documents or the Official Statement.

I am a member of the Bar of the State of California. Accordingly, my opinion is only rendered in respect of the laws of the State of California and to the extent that my opinion extends to any document which purports to be governed by the laws of any jurisdiction other than the laws of the State of California, my opinion assumes that the laws of any such other jurisdiction are identical to the laws of the State of California. This opinion is given in an official capacity and not personally and no personal liability shall derive therefrom.

I am rendering this opinion to you solely for your benefit upon the understanding that, as I have advised you and as you have agreed, I am not hereby assuming any professional responsibility to any other person whatsoever. This opinion may not be used or relied upon by or published or communicated to any other party for any purpose whatsoever without my prior written approval in each instance; except that copies of this opinion may be used, published or communicated to (collectively, "published") to (a) any accountant or lawyer for any person entitled to rely upon this opinion or to whom it may be published or (b) pursuant to the order of any court or regulator of any person entitled to rely upon this opinion or to whom it may be published.

Very truly yours,

ROBERT E. SHANNON, City Attorney

By: _____
Heather A. Mahood, Assistant City Attorney

SECOND SUPPLEMENTAL SENIOR TRUST INDENTURE

by and between

CITY OF LONG BEACH

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Trustee

Relating to

\$_[]
City of Long Beach, California
Senior Airport Revenue Bonds
Series 2010A
(Private Activity)

\$_[]
City of Long Beach, California
Senior Airport Revenue Bonds
Series 2010B
(Governmental)

Dated as of [] 1, 2010

TABLE OF CONTENTS

Page

ARTICLE I
DEFINITIONS; INTERPRETATIONS

Section 1.01.	Definitions.....	2
Section 1.02.	Article and Section References.....	6

ARTICLE II
THE SERIES 2010 BONDS

Section 2.01.	Designation of the Series 2010 Bonds; Principal Amount	6
Section 2.02.	Series 2010 Bonds Under the Senior Indenture; Security	6
Section 2.03.	General Terms of the Series 2010 Bonds	6
Section 2.04.	Exchange of Series 2010 Bonds	8
Section 2.05.	Book-Entry Bonds	9

ARTICLE III
REDEMPTION OF SERIES 2010 BONDS

Section 3.01.	Notices to Bondholders.....	11
Section 3.02.	Redemption Dates.....	12
Section 3.03.	Optional Redemption of Series 2010 Bonds.....	12
Section 3.04.	Mandatory Sinking Fund Redemption of the Series 2010 Bonds	12
Section 3.05.	Selection of Series 2010 Bonds for Redemption; Series 2010 Bonds Redeemed in Part.....	13
Section 3.06.	Payment of Series 2010 Bonds Called for Redemption	14
Section 3.07.	Effect of Redemption Call	14

ARTICLE IV
ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 4.01.	Establishment of Funds and Accounts.....	14
Section 4.02.	Application of Series 2010A Bond Proceeds.....	15
Section 4.03.	Application of Series 2010B Bond Proceeds.....	16
Section 4.04.	Series 2010A Construction Fund.....	16
Section 4.05.	Series 2010A Senior Debt Service Fund	17
Section 4.06.	Series 2010B Construction Fund	19
Section 4.07.	Series 2010B Senior Debt Service Fund.....	19
Section 4.08.	Series 2010 Costs of Issuance Fund.....	21
Section 4.09.	Series 2010 Reserve Account	22
Section 4.10.	Series A Commercial Paper Repayment Fund.....	22
Section 4.11.	Series B Commercial Paper Repayment Fund.....	23
Section 4.12.	Sources of Payment of the Series 2010 Bonds	23

ARTICLE V
DESIGNATION OF PASSENGER FACILITY CHARGES AS REVENUES;
ESTABLISHMENT OF PFC ACCOUNT; RECEIPT, DEPOSIT AND USE OF PASSENGER
FACILITY CHARGES

Section 5.01.	Designation of Passenger Facility Charges as Revenues.....	24
Section 5.02.	Pledge of PFC Revenues.....	24
Section 5.03.	Establishment of PFC Account and Receipt and Deposit of Passenger Facility Charges	24
Section 5.04.	Application of PFC Revenues in Section 2.11 of the Master Senior Indenture	25
Section 5.05.	Application of PFC Revenues in Section 5.04 of the Master Senior Indenture	25
Section 5.06.	Covenants with Respect to Passenger Facility Charges	25

ARTICLE VI
TAX COVENANTS

Section 6.01.	Series 2010 Rebate Fund	26
Section 6.02.	Preservation of Tax Exemption on the Series 2010 Bonds.....	26

ARTICLE VII
MISCELLANEOUS

Section 7.01.	Notices	27
Section 7.02.	Modification of Master Senior Indenture and this Second Supplemental Senior Indenture	27
Section 7.03.	Continuing Disclosure	28
Section 7.04.	Parties Interested Herein	28
Section 7.05.	Severability	28
Section 7.06.	Payments or Actions Occurring on Non-Business Days	28
Section 7.07.	Governing Law	28
Section 7.08.	Captions	28
Section 7.09.	Counterparts.....	28

EXHIBIT A	FORM OF BOND	
EXHIBIT B-1	SERIES 2010A PROJECT	
EXHIBIT B-2	SERIES 2010B PROJECT	
EXHIBIT C-1	FORM OF CONSTRUCTION FUND REQUISITION	
EXHIBIT C-2	FORM OF SERIES 2010 COSTS OF ISSUANCE FUND REQUISITION	
EXHIBIT C-3	FORM OF SERIES [A/B] COMMERCIAL PAPER REPAYMENT FUND REQUISITION	

SECOND SUPPLEMENTAL SENIOR TRUST INDENTURE

THIS SECOND SUPPLEMENTAL SENIOR TRUST INDENTURE (this “*Second Supplemental Senior Indenture*”), dated as of [____], 2010, is made by and between the **CITY OF LONG BEACH**, a charter city and municipal corporation organized and existing under the Constitution of the State of California (the “*City*”) and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association organized and existing under the laws of the United States of America, as trustee (the “*Trustee*”), and supplements the Master Senior Trust Indenture, dated as of December 1, 2009 (the “*Master Senior Indenture*”), by and between the City and the Trustee.

WHEREAS, the Master Senior Indenture provides, in Section 2.09 thereof, for the issuance of Bonds and, in Section 10.02 thereof, for the execution and delivery of Supplemental Senior Indentures setting forth the terms of such Bonds; and

WHEREAS the City now, for the purpose of providing money to finance certain capital improvements to the Enterprise (as defined in the Master Senior Indenture) by execution and delivery of this Second Supplemental Senior Indenture and in compliance with the provisions of the Master Senior Indenture, sets forth the terms of its \$[____] City of Long Beach, California Senior Airport Revenue Bonds, Series 2010A (the “*Series 2010A Bonds*”), and its \$[____] City of Long Beach, California Senior Airport Revenue Bonds, Series 2010B (the “*Series 2010B Bonds*,” and together with the Series 2010A Bonds, the “*Series 2010 Bonds*”), provides for the deposit and use of the proceeds of the Series 2010 Bonds and makes other provisions relating to the Series 2010 Bonds; and

WHEREAS, the Bonds authorized and issued under the provisions of the Master Senior Indenture are secured as provided in the Granting Clause of the Master Senior Indenture; and

WHEREAS, the Granting Clause of the Master Senior Indenture pledges, assigns and grants a lien on and security interest in Net Revenues (as defined in the Master Senior Indenture), among other funds, assets, rights property and interests, to the Trustee for the equal and proportionate benefit and security of all Bonds; and

WHEREAS, pursuant to the Master Senior Indenture, Net Revenues include, for any given period, Revenues (as defined in the Master Senior Indenture) for such period, less the Maintenance and Operation Costs (as defined in the Master Senior Indenture) for such period; and

WHEREAS, Revenues exclude Passenger Facility Charges (as defined in the Master Senior Indenture), unless otherwise designated as “Revenues” under the terms of a Supplemental Senior Indenture; and

WHEREAS, the City now wishes to irrevocably designate a certain amount of Passenger Facility Charges as Revenues and to set forth the terms and conditions for the use of such Passenger Facility Charges; and

GRANTING CLAUSES

In order to secure the payment of the Series 2010 Bonds, the City hereby pledges, assigns and grants to the Trustee with respect to the Series 2010 Bonds all of the liens, rights, interests and privileges set forth in the Granting Clause of, and elsewhere in, the Master Senior Indenture. To secure further the payment of the Series 2010 Bonds, the City in furtherance of the Senior Indenture hereby pledges and grants to the Trustee a lien on and security interest in and assigns to the Trustee all right, title and interest of the City, except as otherwise provided herein, in and to the Senior Reserve Fund (as defined in the Master Senior Indenture) and all moneys and securities held from time to time therein and, with respect to any Reserve Fund Surety Policy (as defined in the Master Senior Indenture) provided at any time in satisfaction of all or a portion of the Reserve Requirement (as defined in the Master Senior Indenture), all rights, title and interest in such instruments and the proceeds thereof.

In order to further secure the payment of the Series 2010 Bonds, the City hereby pledges, assigns and grants to the Trustee all of the liens, rights, interests and privileges set forth in Article V hereof.

ARTICLE I

DEFINITIONS; INTERPRETATIONS

Section 1.01. Definitions. The following definitions shall apply to terms used in this Second Supplemental Senior Indenture unless the context clearly requires otherwise. Capitalized terms not otherwise defined in this Section 1.01 or elsewhere in this Second Supplemental Senior Indenture shall have the same meanings as set forth in the Master Senior Indenture.

“*Authorized Denominations*” means \$5,000 principal amount and integral multiples thereof.

“*Book-Entry Bonds*” means the Series 2010 Bonds held by DTC (or its nominee) as the Bondholder thereof pursuant to the terms and provisions of Section 2.05 hereof.

“*Cede & Co.*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2010 Bonds.

“*Continuing Disclosure Certificate*” shall mean the continuing disclosure certificate of the City, dated the date of issue of the Series 2010 Bonds, pursuant to which the City shall agree to undertake for the benefit of the Bondholders and the beneficial owners of the Series 2010 Bonds certain ongoing disclosure requirements.

“*Costs of Issuance*” means all costs and expenses incurred by the City in connection with the issuance of the Series 2010 Bonds, including, but not limited to, costs and expenses of printing and copying documents, the preliminary and final official statements and the Series 2010 Bonds, underwriters’ compensation, and the fees, costs and expenses of rating agencies, the Trustee, counsel, accountants, financial advisors, feasibility consultants and other consultants.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“Interest Payment Date” means each June 1 and December 1, commencing June 1, 2011, the dates upon which interest on the Series 2010 Bonds becomes due and payable.

“Master Senior Indenture” means the Master Senior Trust Indenture, dated as of December 1, 2009, as amended from time to time, by and between the City and the Trustee, under which the Series 2010 Bonds are authorized and secured.

“Participant” or “Participants” means the participants of DTC which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

“Paying Agent” for purposes of this Second Supplemental Senior Indenture, means the Trustee, or any other institution appointed by the City.

“PFCs” or “Passenger Facility Charges” shall mean “Passenger Facility Charges” as defined in the Master Senior Indenture.

“PFC Account” means the Account of such designation established in the Enterprise Fund pursuant to Section 5.03 hereof and into which all Passenger Facility Charges upon receipt by the City shall be set aside and deposited.

“PFC Act” means the Aviation Safety and Capacity Expansion Act of 1990 Pub. L. 101-508, Title IX, Subtitle B, Sections 9110 and 9111, and the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century, Pub. L. 106-181, all as amended from time to time, or any other applicable federal law.

“PFC Approvals” means a Final Agency Decision of the Federal Aviation Administration, made pursuant to the PFC Act and the PFC Regulations, relating to Passenger Facility Charges imposed by the City, as the same may be issued and amended from time to time.

“PFC Debt Service Subaccount” means the subaccount of such designation established in the PFC Account pursuant to Section 5.03 hereof and into which Passenger Facility Charges shall be set aside and deposited as provided in Section 5.03 hereof.

“PFC Eligible Portion” means the allocable portion of each Bond the proceeds of which are to be used to finance or refinance PFC Projects, fund an allocable portion of the Senior Reserve Fund (or a Senior Debt Service Reserve Fund), if any, with respect thereto, and pay an allocable portion of the costs of issuance of such Bonds, if any. A portion of the proceeds of the Series 2010A Bonds and a portion of the proceeds of the Series 2010B Bonds shall be used to finance or refinance PFC Projects, fund a portion of the Senior Reserve Fund with respect thereto, and pay a portion of the Costs of Issuance with respect thereto.

“PFC Interest Requirement” means the amount of interest coming due on the next Payment Date with respect to the PFC Eligible Portion of the Bonds, net of any amounts

deposited in the PFC Debt Service Subaccount or any Senior Debt Service Fund which are available to pay interest on the PFC Eligible Portion of the Bonds.

“*PFC Principal Requirement*” means the amount of principal coming due on the next Payment Date with respect to the PFC Eligible Portion of the Bonds, net of any amounts deposited in the PFC Debt Service Subaccount or any Senior Debt Service Fund which are available to pay the principal of the PFC Eligible Portion of the Bonds.

“*PFC Projects*” means those projects for which the imposition and use of Passenger Facility Charges have been approved by one or more PFC Approvals. A portion of the Series 2010A Project and a portion of the Series 2010B Project shall be PFC Projects.

“*PFC Project Subaccount*” means the subaccount of such designation established in the PFC Account pursuant to Section 5.03 hereof and into which Passenger Facility Charges shall be set aside and deposited as provided in Section 5.03 hereof.

“*PFC Regulations*” means Part 158 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158), as amended from time to time.

“*PFC Revenues*” means the Passenger Facility Charges that have been irrevocably designated as Revenues by the City pursuant to Section 5.01 hereof or any other Supplemental Senior Indenture.

“*Record Date*” means for a June 1 Interest Payment Date the preceding May 15 and for a December 1 Interest Payment Date the preceding November 15.

“*Refunded Series A Commercial Paper Notes*” means \$[_____] aggregate principal amount of the City’s Subordinate Airport Revenue Commercial Paper Notes Series A, to be current refunded with a portion of the proceeds of the Series 2010B Bonds.

“*Refunded Series B Commercial Paper Notes*” means \$[_____] aggregate principal amount of the City’s Subordinate Airport Revenue Commercial Paper Notes Series B, to be current refunded with a portion of the proceeds of the Series 2010A Bonds.

“*Registrar*” for purposes of this Second Supplemental Senior Indenture, means the Trustee.

“*Representation Letter*” means the Blanket Issuer Letter of Representations dated September 27, 1995 from the City to DTC.

“*Series 2010A Bonds*” means \$[_____] aggregate principal amount of Bonds issued under the Master Senior Indenture and this Second Supplemental Senior Indenture and designated as “City of Long Beach, California Senior Airport Revenue Bonds Series 2010A.”

“*Series 2010A Construction Fund*” means the Construction Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of the Series 2010A Project.

“*Series 2010A Costs of Issuance Account*” means the Account of such designation established in the Series 2010 Costs of Issuance Fund pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of Issuance of the Series 2010A Bonds.

“*Series 2010A Project*” means, collectively, any or all of those capital expenditures listed in Exhibit B attached hereto which are to be financed from amounts deposited into the Series 2010A Construction Fund.

“*Series 2010A Senior Debt Service Fund*” means the Senior Debt Service Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay debt service on the Series 2010A Bonds.

“*Series 2010B Bonds*” means \$[_____] aggregate principal amount of Bonds issued under the Master Senior Indenture and this Second Supplemental Senior Indenture and designated as “City of Long Beach, California Senior Airport Revenue Bonds Series 2010B.”

“*Series 2010B Costs of Issuance Account*” means the Account of such designation established in the Series 2010 Costs of Issuance Fund pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of Issuance of the Series 2010B Bonds.

“*Series 2010B Senior Debt Service Fund*” means the Senior Debt Service Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay debt service on the Series 2010B Bonds.

“*Series 2010 Bonds*” means, collectively, the Series 2010A Bonds and the Series 2010B Bonds.

“*Series 2010 Costs of Issuance Fund*” means the Fund of such designation established pursuant to Section 4.01 hereof and into which moneys are to be deposited to pay Costs of Issuance of the Series 2010 Bonds.

“*Series 2010 Rebate Fund*” means the Fund of such designation established pursuant to Section 4.01 hereof.

“*Series 2010 Reserve Account*” means the Account of such designation established in the Senior Reserve Fund pursuant to Section 4.01 and 4.11(a) hereof.

“*Series A Commercial Paper Repayment Fund*” means the Fund of such designation established pursuant to Section 4.01 hereof.

“*Series B Commercial Paper Repayment Fund*” means the Fund of such designation established pursuant to Section 4.01 hereof.

“*Second Supplemental Senior Indenture*” means this Second Supplemental Senior Trust Indenture, dated as of [_____] 1, 2010, by and between the City and the Trustee and which sets forth the terms of the Series 2010 Bonds.

“*Tax Certificate*” means the Tax Compliance Certificate, dated the date of issuance of the Series 2010 Bonds, as amended from time to time, entered into by the City and executed with respect to the Series 2010 Bonds.

“*Trustee*” means The Bank of New York Mellon Trust Company, N.A., and any successor thereto.

Section 1.02. Article and Section References. Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this Second Supplemental Senior Indenture.

ARTICLE II

THE SERIES 2010 BONDS

Section 2.01. Designation of the Series 2010 Bonds; Principal Amount. The Bonds authorized to be issued under the Master Senior Indenture and this Second Supplemental Senior Indenture shall be designated as “City of Long Beach, California Senior Airport Revenue Bonds Series 2010A”, which shall be issued in the original aggregate principal amount of \$[_____], and “City of Long Beach, California Senior Airport Revenue Bonds Series 2010B”, which shall be issued in the original aggregate principal amount of \$[_____].

The Series 2010A Bonds and the Series 2010B Bonds shall be issued as Bonds pursuant to the provisions of the Master Senior Indenture.

Section 2.02. Series 2010 Bonds Under the Senior Indenture; Security. The Series 2010 Bonds are issued under and subject to the terms of the Master Senior Indenture and the Second Supplemental Senior Indenture and are secured by and payable from the Net Revenues (including PFC Revenues) and other security provided in the Granting Clause of the Master Senior Indenture and in accordance with the terms of the Master Senior Indenture and this Second Supplemental Senior Indenture.

To secure further the payment of the Series 2010 Bonds, the City, in furtherance of the Master Senior Indenture hereby pledges and grants to the Trustee a lien on and security interest in and assigns to the Trustee all right, title and interest of the City, except as otherwise provided herein, in and to the Senior Reserve Fund and all moneys and securities held from time to time therein and, with respect to any Reserve Fund Surety Policy provided at any time in satisfaction of all or a portion of the Reserve Requirement, all rights, title and interest in such instruments and the proceeds thereof.

Section 2.03. General Terms of the Series 2010 Bonds. The Series 2010 Bonds shall, upon initial issuance, be dated their date of delivery ([_____], 2010). Each Series 2010 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Series 2010 Bond shall bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Series 2010 Bond shall bear interest from such succeeding Interest Payment Date, or unless such date of authentication is prior to May 15, 2011, in which event such Series

2010 Bond shall bear interest from [_____], 2010. If interest on the Series 2010 Bonds shall be in default, Series 2010 Bonds issued in exchange for Series 2010 Bonds surrendered for transfer or exchange shall bear interest from the Interest Payment Date to which interest has been paid in full on the Series 2010 Bonds surrendered. The Series 2010 Bonds shall be issued in denominations of \$5,000 original principal amount or integral multiples thereof.

Interest on the Series 2010 Bonds shall be paid on June 1, 2011 and semiannually thereafter on June 1 and December 1.

Interest on the Series 2010 Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months.

At least fifteen (15) Business Days prior to each date on which principal of or interest on any Series 2010 Bond shall be due and payable, the Trustee shall notify the City of such payment, the date such payment is due and the amount of such payment. Such notice shall be given by telephone or facsimile transmission and promptly confirmed in writing.

The Series 2010A Bonds shall be issued in the original aggregate principal amount of \$[_____] and shall mature in the years and in the amounts and bear interest at the annual rates set forth in the following schedule:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
---	-----------------------------------	--------------------------------

The Series 2010B Bonds shall be issued in the original aggregate principal amount of \$[_____] and shall mature in the years and in the amounts and bear interest at the annual rates set forth in the following schedule:

Maturity Date (June 1)	Principal Amount	Interest Rate
-----------------------------------	-----------------------------	--------------------------

Payment of the principal of the Series 2010 Bonds shall be made upon surrender of the Series 2010 Bonds to the Trustee or its agent; provided that with respect to the Series 2010 Bonds which are Book-Entry Bonds, the payment of the principal shall be made as provided in Section 2.05 hereof and the Representation Letter. Payment of interest on Series 2010 Bonds which are not Book-Entry Bonds shall be paid by check or draft of the Trustee mailed on the Interest Payment Date by first-class mail to the person who is the Bondholder thereof on the Record Date, and such payment shall be mailed to such Bondholder at his address as it appears on the registration books of the Registrar. The payment of interest on Book-Entry Bonds shall be made as provided in Section 2.05 hereof and the Representation Letter. The Series 2010 Bonds shall be substantially in the form of Exhibit A attached hereto.

If the principal of a Series 2010 Bond becomes due and payable, but shall not have been paid as a result of a default hereunder, and no provision is made for its payment, then such Series 2010 Bond shall bear interest at the same rate after such default as on the day before the default occurred.

Principal and interest will be paid in lawful money of the United States that at the time of payment is legal tender for payment of public and private debts or by checks or wire transfer payable in such money.

Section 2.04. Exchange of Series 2010 Bonds. Series 2010 Bonds which are delivered to the Registrar for exchange may be exchanged for an equal total principal amount of the same Series of such Series 2010 Bonds of the same interest rate and maturity date. The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege.

The Registrar will not, however, be required to transfer or exchange any such Series 2010 Bond during the period established by the Registrar for selection of Series 2010 Bonds for redemption or any Series 2010 Bond which has been selected for redemption.

Section 2.05. Book-Entry Bonds.

(a) Except as provided in subparagraph (c) of this Section, the Bondholder of all of the Series 2010 Bonds shall be DTC and the Series 2010 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of principal and redemption price of and interest on any Series 2010 Bond registered in the name of Cede & Co. shall be made by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of Cede & Co. at the address indicated on the Record Date or special record date for Cede & Co. in the registration books of the Registrar.

(b) The Series 2010 Bonds shall be initially issued in the form of separate single authenticated fully registered bonds for each separate stated maturity and interest rate for each Series 2010 Bond. Upon initial issuance, the ownership of such Series 2010 Bonds shall be registered in the registration books of the Registrar in the name of Cede & Co., as nominee of DTC. The Trustee, the Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2010 Bonds registered in its name for the purposes of paying the principal and redemption price of and interest on the Series 2010 Bonds, selecting the Series 2010 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Master Senior Indenture or this Second Supplemental Senior Indenture, registering the transfer of Series 2010 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the Trustee, the Registrar nor the City shall be affected by any notice to the contrary. Neither the Trustee, the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2010 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books as being a Bondholder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal and redemption price of or interest on the Series 2010 Bonds; any notice which is permitted or required to be given to Bondholders under the Master Senior Indenture or this Second Supplemental Senior Indenture; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2010 Bonds; any consent given or other action taken by DTC as Bondholder; or any other purpose. The Trustee shall pay all principal and redemption price of and interest on the Series 2010 Bonds only to or "upon the order of" DTC (as that term is used in the Uniform Commercial Code as adopted in the State of California), and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal and redemption price of and interest on the Series 2010 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2010 Bond evidencing the obligation of the City to make payments of principal, redemption price and interest pursuant to the Master Senior Indenture and this Second Supplemental Senior Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Second Supplemental Senior Indenture shall refer to such new nominee of DTC.

(c) In the event the City determines that it is in the best interest of the beneficial owners that they be able to obtain Series 2010 Bond certificates, and notifies DTC, the Trustee and the Registrar of such determination, then DTC will notify the Participants of the availability through DTC of Series 2010 Bond certificates. In such event, the Trustee shall authenticate and the Registrar shall transfer and exchange Series 2010 Bond certificates as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2010 Bonds at any time by giving notice to the City and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the City and the Trustee shall be obligated to deliver Series 2010 Bond certificates as described in this Second Supplemental Senior Indenture. In the event Series 2010 Bond certificates are issued, the provisions of the Master Senior Indenture and this Second Supplemental Senior Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal and redemption price of and interest on such certificates. Whenever DTC requests the City and the Trustee to do so, the Trustee and the City will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2010 Bonds to any Participant having Series 2010 Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2010 Bonds.

(d) Notwithstanding any other provision of the Master Senior Indenture and this Second Supplemental Senior Indenture to the contrary, so long as any Series 2010 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and redemption price of and interest on such Series 2010 Bond and all notices with respect to such Series 2010 Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to the Master Senior Indenture and this Second Supplemental Senior Indenture by the City or the Trustee with respect to any consent or other action to be taken by Bondholders, the City or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Bondholder.

(f) NEITHER THE CITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO: THE PAYMENT BY DTC TO ANY PARTICIPANT OF THE PRINCIPAL AND REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2010 BONDS; THE PROVIDING OF NOTICE TO PARTICIPANTS OR BENEFICIAL OWNERS; THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER OF THE SERIES 2010 BONDS.

ARTICLE III

REDEMPTION OF SERIES 2010 BONDS

Section 3.01. Notices to Bondholders. If the City wishes that any Series 2010 Bonds be redeemed pursuant to any optional redemption provision in this Second Supplemental Senior Indenture, the City will notify the Trustee of the applicable provision, the redemption date, the Series, the maturity date, the interest rate, the CUSIP number and the principal amount of Series 2010 Bonds to be redeemed and other necessary particulars. The City will give notice to the Trustee at least thirty-five (35) days before the redemption date, provided that the Trustee may, at its option, waive such notice or accept notice at a later date. The Trustee shall give notice of redemption, in the name of the City, to Bondholders affected by redemption at least thirty (30) days but not more than sixty (60) days before each redemption date, send such notice of redemption by first-class mail (or with respect to Series 2010 Bonds held by DTC by an express delivery service for delivery on the next following Business Day) to each Bondholder of a Series 2010 Bond to be redeemed. Each such notice shall be sent to the Bondholder's registered address.

Each notice of redemption shall specify the Series, the maturity date, the interest rate and the CUSIP number of each Series 2010 Bond to be redeemed, the date of issue, if less than all Series 2010 Bonds of a maturity and interest rate are called for redemption the numbers of the Series 2010 Bonds to be redeemed, the principal amount to be redeemed, the date fixed for redemption, the redemption price, the place or places of payment, the Trustee's name, that payment will be made upon presentation and surrender of the Series 2010 Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption and not paid will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

The City may provide that, if at the time of mailing of notice of an optional redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Series 2010 Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Trustee not later than the opening of business one (1) Business Day prior to the scheduled redemption date, and such notice shall be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption shall be cancelled and on such cancellation date notice shall be mailed to the Bondholders of such Series 2010 Bonds to be redeemed in the manner provided in this Section.

Failure to give any required notice of redemption as to any particular Series 2010 Bonds will not affect the validity of the call for redemption of any Series 2010 Bonds in respect of which no failure occurs. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, Series 2010 Bonds called for redemption become due and payable on the date fixed for redemption at the applicable redemption price. In the event that funds are deposited with the Trustee sufficient for redemption, interest on the Series 2010 Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

If any Series 2010 Bonds, at the time of redemption, are not Book-Entry Bonds, then at the time of mailing required by the first paragraph of this Section, such redemption notice shall be given by (i) registered or certified mail, postage prepaid; (ii) telephonically confirmed facsimile transmission; or (iii) overnight delivery service, to:

The Depository Trust Company
 55 Water Street
 50th Floor
 New York, NY 10041-0099
 Attention: Call Notification
 Facsimile: (212) 855-7233

Failure to give the notice described in the immediately preceding paragraph or any defect therein shall not in any manner affect the redemption of any Series 2010 Bond.

Section 3.02. Redemption Dates. The date fixed for redemption for Series 2010 Bonds to be optionally redeemed in accordance with Sections 3.03 hereof will be a date permitted by the City in the notice delivered pursuant to Section 3.01 hereof. The date fixed for mandatory sinking fund redemptions of the Series 2010 Bonds will be as set forth in Section 3.04 hereof.

Section 3.03. Optional Redemption of Series 2010 Bonds. The Series 2010 Bonds maturing on or before June 1, 20[] are not subject to optional redemption prior to maturity. The Series 2010 Bonds maturing on or after June 1, 20[] are redeemable at the option of the City on or after June 1, 20[], in whole or in part at any time, from any moneys that may be provided for such purpose and at a redemption price equal to []% of the principal amount of the Series 2010 Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

Section 3.04. Mandatory Sinking Fund Redemption of the Series 2010 Bonds.

(a) The Series 2010A Bonds with a stated maturity date of June 1, 20[] are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium. The Series 2010A Bonds with a stated maturity date of June 1, 20[] will be redeemed on June 1 in the following years and in the following principal amounts:

Redemption Date (June 1)	Principal Amount
---	-------------------------

* Final Maturity.

(b) The Series 2010B Bonds with a stated maturity date of June 1, 20[] are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium. The Series 2010B Bonds with a stated maturity date of June 1, 20[] will be redeemed on June 1 in the following years and in the following principal amounts:

Redemption Date (June 1)	Principal Amount
-------------------------------------	-------------------------

^{*} Final Maturity.

(c) Except as otherwise provided in Section 2.05 hereof, on or before the forty-fifth (45th) day prior to any mandatory sinking fund redemption date, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine), from each Series 2010 Bond subject to such mandatory sinking fund redemption (the “*Series 2010 Term Bonds*”), an aggregate principal amount of such Series 2010 Term Bonds equal to the amount for such year as set forth in the [appropriate] table above and shall call such Series 2010 Term Bonds or portions thereof (in Authorized Denominations) for redemption and give notice of such call.

(d) At the option of the City, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60th) day next preceding any mandatory sinking fund redemption date, it may (i) deliver to the Trustee for cancellation Series 2010 Term Bonds or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the City or (ii) specify a principal amount of such Series 2010 Term Bonds or portions thereof (in Authorized Denominations) which prior to said date have been optionally redeemed and previously cancelled by the Trustee at the request of the City and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2010 Term Bond or portion thereof so purchased, acquired or optionally redeemed and delivered to the Trustee for cancellation shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the City to pay the principal of such [applicable] Series 2010 Term Bond on such mandatory sinking fund redemption date. In the event the City redeems any of the Series 2010 Term Bonds pursuant to Section 3.03 hereof, the City will provide the Trustee revised mandatory sinking fund schedules, if applicable.

Section 3.05. Selection of Series 2010 Bonds for Redemption; Series 2010 Bonds Redeemed in Part. The Series 2010 Bonds are subject to redemption in such order of maturity and interest rate (except mandatory sinking fund payments on the Series 2010 Term Bonds) as the City may direct and by lot, selected in such manner as the Trustee (or DTC, as long as DTC is the securities depository for the Series 2010 Bonds) shall deem appropriate, within a maturity and interest rate.

Upon surrender of a Series 2010 Bond to be redeemed, in part only, the Trustee will authenticate for the Bondholder a new Series 2010 Bond or Series 2010 Bonds of the same Series, maturity date and interest rate equal in principal amount to the unredeemed portion of the Series 2010 Bond surrendered.

Section 3.06. Payment of Series 2010 Bonds Called for Redemption. Upon surrender to the Trustee or the Trustee's agent, the Series 2010 Bonds called for redemption shall be paid at the redemption price stated in the notice, plus, when applicable, interest accrued to the date fixed for redemption.

Section 3.07. Effect of Redemption Call. On the date so designated for redemption, notice having been given in the manner and under the conditions provided herein and sufficient moneys for payment of the redemption price being held in trust by the Trustee to pay the redemption price, interest on such Series 2010 Bonds shall cease to accrue from and after such redemption date, such Series 2010 Bonds shall cease to be entitled to any lien, benefit or security under the Master Senior Indenture and this Second Supplemental Senior Indenture and the Bondholders of such Series 2010 Bonds shall have no rights in respect thereof except to receive payment of the redemption price.

Series 2010 Bonds which have been duly called for redemption under the provisions of this Article III and for the payment of the redemption price of which moneys shall be held in trust for the Bondholders of the Series 2010 Bonds to be redeemed, all as provided in this Second Supplemental Senior Indenture, shall not be deemed to be Outstanding under the provisions of the Master Senior Indenture and this Second Supplemental Senior Indenture.

ARTICLE IV

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts. The following Funds and Accounts are hereby established:

(a) City of Long Beach, California Senior Airport Revenue Bonds Series 2010A Construction Fund (the "*Series 2010A Construction Fund*"), to be held by the Trustee;

(b) City of Long Beach, California Senior Airport Revenue Bonds Series 2010A Senior Debt Service Fund (the "*Series 2010A Senior Debt Service Fund*") and therein an Interest Account, a Principal Account and a Redemption Account, to be held by the Trustee;

(c) City of Long Beach, California Senior Airport Revenue Bonds Series 2010B Senior Debt Service Fund (the "*Series 2010B Senior Debt Service Fund*") and therein an Interest Account, a Principal Account and a Redemption Account, to be held by the Trustee;

(d) City of Long Beach, California Senior Airport Revenue Bonds Series 2010 Costs of Issuance Fund (the "*Series 2010 Costs of Issuance Fund*") and therein a

City of Long Beach, California Senior Airport Revenue Bonds Series 2010A Costs of Issuance Account (the “*Series 2010A Costs of Issuance Account*”), and a City of Long Beach, California Senior Airport Revenue Bonds Series 2010B Costs of Issuance Account (the “*Series 2010B Costs of Issuance Account*”), to be held by the Trustee;

(e) City of Long Beach, California Senior Airport Revenue Bonds Series 2010 Reserve Account (the “*Series 2010 Reserve Account*”) to be established in the Senior Reserve Fund and held by the Trustee;

(f) City of Long Beach, California Senior Airport Revenue Bonds Series 2010 Rebate Fund (the “*Series 2010 Rebate Fund*”), to be held by the Trustee;

(g) City of Long Beach, California Series A Commercial Paper Repayment Fund (the “*Series A Commercial Paper Repayment Fund*”), to be held by the Trustee; and

(h) City of Long Beach, California Series B Commercial Paper Repayment Fund (the “*Series B Commercial Paper Repayment Fund*”), to be held by the Trustee.

Section 4.02. Application of Series 2010A Bond Proceeds. The net proceeds of the sale of the Series 2010A Bonds, being the amount of \$[] (which sum represents the par amount of the Series 2010A Bonds of \$[], [less/plus] a [net] original issue [discount/premium] in the amount of \$[] and less an underwriters’ discount in the amount of \$[]) received by the Trustee shall be deposited or paid by the Trustee as follows:

(a) \$[], representing Capitalized Interest on the Series 2010A Bonds, shall be deposited in the Interest Account of the Series 2010A Senior Debt Service Fund to be used to pay interest due and payable on the Series 2010A Bonds, as described under Section 4.05(a) hereof;

(b) \$[] shall be deposited in the Series 2010A Construction Fund to be used to pay the Costs of the Series 2010A Project;

(c) \$[] shall be deposited into the Series B Commercial Paper Repayment Fund;

(d) \$[] shall be deposited into the Series 2010A Costs of Issuance Account; and

(e) \$[] shall be deposited into the Series 2010 Reserve Account of the Senior Reserve Fund.

Section 4.03. Application of Series 2010B Bond Proceeds. The net proceeds of the sale of the Series 2010B Bonds, being the amount of \$[] (which sum represents the par amount of the Series 2010B Bonds of \$[], [less/plus] a [net] original issue [discount/premium] in the amount of \$[] and less an underwriters’ discount in the

amount of \$[] received by the Trustee shall be deposited or paid by the Trustee as follows:

(a) \$[] shall be deposited into the Series A Commercial Paper Repayment Fund;

(b) \$[] shall be deposited into the Series 2010B Costs of Issuance Account; and

(c) \$[] shall be deposited into the Series 2010 Reserve Account of the Senior Reserve Fund.

Section 4.04. Series 2010A Construction Fund.

(a) There shall be deposited into the Series 2010A Construction Fund the amounts as provided for in Section 4.02(b) hereof and any amounts transferred from the Interest Account of the Series 2010A Senior Debt Service Fund representing Capitalized Interest and earnings thereon as described in Section 4.05(a) hereof.

(b) The Trustee shall make payments or disbursements from the Series 2010A Construction Fund upon receipt from the City of a written requisition, in substantially the form attached as Exhibit C-1 hereto, executed by an Authorized City Representative, which requisition shall state, with respect to each amount requested thereby, (i) that such amount is to be paid from the Series 2010A Construction Fund and is not to be used to pay Costs of Issuance, (ii) the number of the requisition, (iii) the amount to be paid, the name of the entity to which the payment is to be made and the manner in which the payment is to be made, (iv) that the amount to be paid represents a Cost of the Series 2010A Project as described in Exhibit B hereto, and (v) that the amounts requisitioned will be expended only in accordance with and subject to the limitations set forth in the Tax Certificate. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of the facts stated therein.

(c) Moneys held in the Series 2010A Construction Fund shall be invested and reinvested as directed by the City in Permitted Investments. Earnings on the Series 2010A Construction Fund shall be retained in the Series 2010A Construction Fund.

(d) The completion of the Series 2010A Project shall be evidenced by the filing with the Trustee of a certificate of an Authorized City Representative stating either (i) the date of completion of the Series 2010A Project and the amount, if any, required in the opinion of such Authorized City Representative for the payment of any remaining part of the Costs of the Series 2010A Project or (ii) that all amounts in the Series 2010A Construction Fund have been disbursed or expenses in respect thereof have been incurred. Any amount remaining in the Series 2010A Construction Fund following the delivery of such certificate, or upon the determination of the City not to proceed with the Series 2010A Project, may, at the determination of the City, be applied upon written requisition of an Authorized City Representative to any other lawful purpose designated in such requisition and for which purpose such proceeds may be used under the Charter.

As a condition to the disbursement of funds to the City under this Section, there shall be delivered to the Trustee with the requisition an opinion of Bond Counsel that the purpose for which such funds are to be used is a lawful purpose for which such proceeds may be used under the Charter and that such use shall not result in the inclusion of interest on any Series 2010A Bonds in gross income of the recipient thereof for federal income tax purposes.

Section 4.05. Series 2010A Senior Debt Service Fund. The Trustee shall make deposits into the Series 2010A Senior Debt Service Fund as follows:

(a) ***Interest Account.*** The Trustee shall deposit into the Interest Account the amount as provided in Section 4.02(a) hereof and shall, thereafter, deposit into the Interest Account the amounts received from the City, as provided in the Master Senior Indenture, and the Passenger Facility Charges received from the City, as provided in Section 5.03 hereof, to be used to pay interest on the Series 2010A Bonds. The Trustee shall also deposit into the Interest Account any other amounts deposited with the Trustee for deposit in the Interest Account or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Interest Account shall be held on a priority basis for the ratable security and payment of interest due on the Series 2010A Bonds in accordance with their terms and amounts due or accrued with respect to all or any of the Series 2010A Bonds.

Earnings on amounts representing Capitalized Interest on deposit in the Interest Account shall be retained in the Interest Account until the Series 2010A Project is completed. On the completion date of the Series 2010A Project (as evidenced by a completion certificate described in Sections 4.04(d) hereof), any amounts representing Capitalized Interest, and earning thereon, remaining on deposit in the Interest Account shall be transferred, by written direction of the City, to the Series 2010A Construction Fund.

Earnings on Passenger Facility Charges in the Interest Account shall be withdrawn and paid to the City on the Business Day following an Interest Payment Date for deposit into the PFC Account unless an Event of Default exists under the Master Senior Indenture, in which event the earnings shall be retained in such Account.

Earnings on amounts (other than earnings on amounts representing Capitalized Interest and earnings on Passenger Facility Charges) in the Interest Account shall be withdrawn and paid to the City on the Business Day following an Interest Payment Date for deposit into the Enterprise Fund unless an Event of Default exists under the Master Senior Indenture, in which event the earnings shall be retained in such Account.

(b) ***Principal Account.*** The Trustee shall deposit into the Principal Account the amounts received from the City, as provided in the Master Senior Indenture, and the Passenger Facility Charges received from the City, as provided in Section 5.03 hereof, to be used to pay the principal of the Series 2010A Bonds at maturity [or on a mandatory sinking fund redemption date as provided in Section 3.04 hereof]. The Trustee shall also deposit into the Principal Account any other amounts deposited with the Trustee for

deposit into the Principal Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Principal Account shall be used by the Trustee to pay the principal of the Series 2010A Bonds [whether at maturity or by mandatory sinking fund redemption as provided in Section 3.04 hereof] on the applicable Payment Dates. On or about June 15 of each Fiscal Year, earnings on amounts (other than Passenger Facility Charges) in the Principal Account shall be withdrawn by the Trustee and paid to the City for deposit into the Enterprise Fund unless an Event of Default exists under the Master Senior Indenture, in which event the earnings shall be retained in such Account. On or about June 15 of each Fiscal Year, earnings on Passenger Facility Charges in the Principal Account shall be withdrawn by the Trustee and paid to the City for deposit into the PFC Account unless an Event of Default exists under the Master Senior Indenture, in which event the earnings shall be retained in such Account.

(c) ***Redemption Account.*** The Trustee shall deposit into the Redemption Account amounts received from the City as provided in the Master Senior Indenture to be used to pay the redemption price of Series 2010A Bonds being redeemed as provided in Section 3.03 hereof. The Trustee shall also deposit into the Redemption Account any other amounts (including, but not limited to, Passenger Facility Charges) deposited with the Trustee for deposit into the Redemption Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Redemption Account shall be used by the Trustee to pay the redemption price of the Series 2010A Bonds being redeemed as provided in Section 3.03 hereof. Earnings on amounts (other than Passenger Facility Charges) in the Redemption Account shall be withdrawn and paid to the City on the Business Day following a redemption date for deposit into the Enterprise Fund unless an Event of Default exists under the Master Senior Indenture, in which event the earnings shall be retained in such Account. Earnings on Passenger Facility Charges in the Redemption Account shall be withdrawn and paid to the City on the Business Day following a redemption date for deposit into the PFC Account unless an Event of Default exists under the Master Senior Indenture, in which event the earnings shall be retained in such Account.

The Series 2010A Senior Debt Service Fund shall be invested and reinvested as directed by an Authorized City Representative in Permitted Investments.

Section 4.06. Series 2010B Senior Debt Service Fund. The Trustee shall make deposits into the Series 2010B Senior Debt Service Fund as follows:

(a) ***Interest Account.*** The Trustee shall deposit into the Interest Account the amounts received from the City, as provided in the Master Senior Indenture, and the Passenger Facility Charges received from the City, as provided in Section 5.03 hereof, to be used to pay interest on the Series 2010B Bonds. The Trustee shall also deposit into the Interest Account any other amounts deposited with the Trustee for deposit in the Interest Account or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Interest Account shall be held on a priority basis for the ratable security and payment of interest due on the Series 2010B Bonds in accordance

with their terms and amounts due or accrued with respect to all or any of the Series 2010B Bonds.

Earnings on Passenger Facility Charges in the Interest Account shall be withdrawn and paid to the City on the Business Day following an Interest Payment Date for deposit into the PFC Account unless an Event of Default exists under the Master Senior Indenture, in which event the earnings shall be retained in such Account.

Earnings on amounts (other than earnings on Passenger Facility Charges) in the Interest Account shall be withdrawn and paid to the City on the Business Day following an Interest Payment Date for deposit into the Enterprise Fund unless an Event of Default exists under the Master Senior Indenture, in which event the earnings shall be retained in such Account.

(b) ***Principal Account.*** The Trustee shall deposit into the Principal Account the amounts received from the City, as provided in the Master Senior Indenture, and the Passenger Facility Charges received from the City, as provided in Section 5.03 hereof, to be used to pay the principal of the Series 2010B Bonds at maturity [or on a mandatory sinking fund redemption date as provided in Section 3.04 hereof]. The Trustee shall also deposit into the Principal Account any other amounts deposited with the Trustee for deposit into the Principal Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Principal Account shall be used by the Trustee to pay the principal of the Series 2010B Bonds [whether at maturity or by mandatory sinking fund redemption as provided in Section 3.04 hereof] on the applicable Payment Dates. On or about June 15 of each Fiscal Year, earnings on amounts (other than Passenger Facility Charges) in the Principal Account shall be withdrawn by the Trustee and paid to the City for deposit into the Enterprise Fund unless an Event of Default exists under the Master Senior Indenture, in which event the earnings shall be retained in such Account. On or about June 15 of each Fiscal Year, earnings on Passenger Facility Charges in the Principal Account shall be withdrawn by the Trustee and paid to the City for deposit into the PFC Account unless an Event of Default exists under the Master Senior Indenture, in which event the earnings shall be retained in such Account.

(c) ***Redemption Account.*** The Trustee shall deposit into the Redemption Account amounts received from the City as provided in the Master Senior Indenture to be used to pay the redemption price of Series 2010B Bonds being redeemed as provided in Section 3.03 hereof. The Trustee shall also deposit into the Redemption Account any other amounts (including, but not limited to, Passenger Facility Charges) deposited with the Trustee for deposit into the Redemption Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Redemption Account shall be used by the Trustee to pay the redemption price of the Series 2010B Bonds being redeemed as provided in Section 3.03 hereof. Earnings on amounts (other than Passenger Facility Charges) in the Redemption Account shall be withdrawn and paid to the City on the Business Day following a redemption date for deposit into the Enterprise Fund unless an Event of Default exists under the Master Senior Indenture, in which event the earnings shall be retained in such Account. Earnings on Passenger Facility Charges in the

Redemption Account shall be withdrawn and paid to the City on the Business Day following a redemption date for deposit into the PFC Account unless an Event of Default exists under the Master Senior Indenture, in which event the earnings shall be retained in such Account.

The Series 2010B Senior Debt Service Fund shall be invested and reinvested as directed by an Authorized City Representative in Permitted Investments.

Section 4.07. Series 2010 Costs of Issuance Fund.

(a) There shall, be deposited into the Series 2010 Costs of Issuance Fund the amounts as provided in Section 4.02(d) and Section 4.03(b) hereof.

(b) The Trustee shall make payments or disbursements from the Series 2010 Costs of Issuance Fund upon receipt from the City of a written requisition in substantially the form attached as Exhibit C-2 hereto, executed by an Authorized City Representative, which requisition shall state, with respect to each amount requested thereby, (i) that such amount is to be paid from the applicable Series Account of the Series 2010 Costs of Issuance Fund, (ii) the number of the requisition, (iii) the amount to be paid, the name of the entity, if other than the City, to which the payment is to be made and the manner in which the payment is to be made and (iv) describe the Costs of Issuance represented by such payment. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of the facts stated therein.

(c) Moneys held in the Series 2010 Costs of Issuance Fund shall be invested and reinvested as directed by an Authorized City Representative in Permitted Investments.

(d) Earnings on the Series 2010A Costs of Issuance Account shall be deposited into the Series 2010A Construction Fund. Any amounts remaining in the Series 2010A Costs of Issuance Fund on [____], 2011 shall be transferred to the Series 2010A Construction Fund and the Series 2010A Costs of Issuance Account shall be closed.

(e) Earnings on the Series 2010B Costs of Issuance Account shall be deposited into the Interest Account of the Series 2010B Debt Service Fund. Any amounts remaining in the Series 2010B Costs of Issuance Fund on [____], 2011 shall be transferred to the Interest Account of the Series 2010B Debt Service Fund and the Series 2010B Costs of Issuance Account shall be closed.

Section 4.08. Series 2010 Reserve Account. Pursuant to Section 4.04 of the Master Senior Indenture, the City hereby elects to have the Series 2010 Bonds participate in the Senior Reserve Fund. As provided in Section 4.02(e) and Section 4.03(c) hereof, at the time of issuance of the Series 2010 Bonds, a portion of the proceeds of the Series 2010 Bonds shall be deposited into the Series 2010 Reserve Account. The Series 2010 Reserve Account shall be established for purposes of calculating and accounting for the amount of earnings upon the portion of the Senior Reserve Fund related to the Series 2010 Bonds for rebate purposes as set forth in the Tax

Certificate, but for all other purposes shall be held, invested and used as an integral part of the Senior Reserve Fund as provided in Section 4.04 of the Master Senior Indenture and shall be available to make payments on all Bonds participating in the Senior Reserve Fund. In the event a Reserve Fund Surety Policy is ever deposited to the Senior Reserve Fund, the Trustee is hereby directed to credit the Series 2010 Reserve Account with the portion of any Reserve Fund Surety Policy allocable thereto. In the event amounts in the Senior Reserve Fund exceed the Reserve Requirement for the Senior Reserve Fund, such excess allocable to the Series 2010 Bonds shall be transferred to the Interest Accounts in the Series 2010A Senior Debt Service Fund and the Series 2010B Senior Debt Service Fund.

At the time of issuance of the Series 2010 Bonds, the Reserve Requirement for the Senior Reserve Fund is equal to \$[_____].

Section 4.09. Series A Commercial Paper Repayment Fund.

(a) There shall, be deposited into the Series A Commercial Paper Repayment Fund the amount as provided in Section 4.03(a) hereof. Amounts on deposit in the Series A Commercial Paper Repayment Fund shall be used to pay the principal of the Refunded Series A Commercial Paper Notes.

(b) The Trustee shall make payments or disbursements from the Series A Commercial Paper Repayment Fund upon receipt from the City of a written requisition in substantially the form attached as Exhibit C-3 hereto, executed by an Authorized City Representative. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of the facts stated therein.

(c) Moneys held in the Series A Commercial Paper Repayment Fund shall be invested and reinvested as directed by an Authorized City Representative in Permitted Investments.

(d) Earnings on the Series A Commercial Paper Repayment Fund shall be deposited into the Interest Account of the Series 2010B Debt Service Fund. Any amounts remaining in the Series A Commercial Paper Repayment Fund on [_____], 2010 shall be transferred to the Interest Account of the Series 2010B Debt Service Fund and the Series A Commercial Paper Repayment Fund shall be closed.

Section 4.10. Series B Commercial Paper Repayment Fund.

(a) There shall, be deposited into the Series B Commercial Paper Repayment Fund the amount as provided in Section 4.02(c) hereof. Amounts on deposit in the Series B Commercial Paper Repayment Fund shall be used to pay the principal of the Refunded Series B Commercial Paper Notes.

(b) The Trustee shall make payments or disbursements from the Series B Commercial Paper Repayment Fund upon receipt from the City of a written requisition in substantially the form attached as Exhibit C-3 hereto, executed by an Authorized City Representative. Each such requisition shall be sufficient evidence to the Trustee of the

facts stated therein and the Trustee shall have no duty to confirm the accuracy of the facts stated therein.

(c) Moneys held in the Series B Commercial Paper Repayment Fund shall be invested and reinvested as directed by an Authorized City Representative in Permitted Investments.

(d) Earnings on the Series B Commercial Paper Repayment Fund shall be deposited into the Series 2010A Construction Fund. Any amounts remaining in the Series B Commercial Paper Repayment Fund on [_____], 2010 shall be transferred to the Series 2010A Construction Fund and the Series B Commercial Paper Repayment Fund shall be closed.

Section 4.11. Sources of Payment of the Series 2010 Bonds. The Series 2010 Bonds shall be secured by and payable from the Net Revenues (including the PFC Revenues) as provided in the Master Senior Indenture and moneys and other investments held by the Trustee in the Senior Reserve Fund. The City may, but is not obligated to, provide for the payment of the principal of and interest on the Series 2010 Bonds from any other source or from any other funds of the City, including, but not limited to, amounts derived from Passenger Facility Charges not otherwise pledged to the payment of principal of and interest on the Series 2010 Bonds pursuant to Sections 5.01 and 5.02 hereof.

ARTICLE V

DESIGNATION OF PASSENGER FACILITY CHARGES AS REVENUES; ESTABLISHMENT OF PFC ACCOUNT; RECEIPT, DEPOSIT AND USE OF PASSENGER FACILITY CHARGES.

Section 5.01. Designation of Passenger Facility Charges as Revenues. Pursuant to the definition of “Revenues” in Article I of the Master Senior Indenture, the City hereby irrevocably designates Passenger Facility Charges as “Revenues” in an amount equal to the lesser of (a) 125% of the Aggregate Annual Debt Service on the PFC Eligible Portion of Bonds, and (b) the total amount of Passenger Facility Charges received by the City in a Fiscal Year.

Section 5.02. Pledge of PFC Revenues. In addition to, and not by limitation of, the liens, rights, interests and privileges set forth in the Granting Clause of, and elsewhere in, the Master Senior Indenture and in this Second Supplemental Senior Indenture, which are pledged, assigned and granted to the Trustee with respect to the Bonds, to further secure the payment of the principal and redemption price of, and interest due on the PFC Eligible Portion of the Bonds and the performance and observance by the City of all the covenants, agreements and conditions expressed or implied in the Master Senior Indenture and in this Second Supplemental Senior Indenture or contained in the Bonds, the City hereby pledges and assigns to the Trustee with respect to the PFC Eligible Portion of the Bonds and grants to the Trustee with respect to the PFC Eligible Portion of the Bonds a lien on and security interest in all right, title and interest of the City in and to all of the PFC Revenues, and the investment earnings thereon, and provides that such lien and security interest shall be prior in right to any other pledge, lien or security

interest created by the City in the Passenger Facility Charges, and the investment earnings thereon.

Section 5.03. Establishment of PFC Account and Receipt and Deposit of Passenger Facility Charges. In order to carry out and effectuate the agreements and covenants contained in the Master Senior Indenture and in this Second Supplemental Senior Indenture, the City hereby agrees and covenants to establish the “PFC Account” in the Enterprise Fund maintained by the City Treasurer and the PFC Debt Service Subaccount and the PFC Project Subaccount in the PFC Account. It shall not be necessary to create separate bank accounts for the PFC Account, the PFC Debt Service Subaccount and the PFC Project Subaccount in order to account for the amounts deposited to such account and subaccounts. The PFC Account, the PFC Debt Service Subaccount and the PFC Project Subaccount shall be under the control of the City Treasurer. So long as the PFC Revenues are pledged under the Master Senior Indenture, this Second Supplemental Senior Indenture or any other Supplemental Senior Indenture, all Passenger Facility Charges shall be received by the City in trust under the Master Senior Indenture, this Second Supplemental Senior Indenture and any other applicable Supplemental Senior Indenture and shall be set aside and immediately deposited directly to the credit of the PFC Account.

On the first Business Day of each month, amounts on deposit in the PFC Account shall be transferred by the City to the PFC Debt Service Subaccount until the amount on deposit in the PFC Debt Service Subaccount is equal to the PFC Principal Requirement and the PFC Interest Requirement. Amounts credited to the PFC Debt Service Subaccount shall be transferred to the Trustee in a timely manner in accordance with the terms of the Master Senior Indenture to pay principal and/or interest due on the PFC Eligible Portion of the Bonds.

Any amounts remaining on deposit in the PFC Account after all required deposits have been made to the PFC Debt Service Subaccount shall be transferred to the PFC Project Subaccount. The City shall not transfer any amounts on deposit in the PFC Account to the PFC Project Subaccount until the City has made all required deposits to the PFC Debt Service Subaccount as described in the previous paragraph. Amounts credited to the PFC Project Subaccount shall be applied to any lawful purpose relating to the Enterprise as permitted by the PFC Acts and as the City may from time to time determine, including, but not limited to, the payment of principal and/or interest due on the PFC Eligible Portion of the Bonds.

The PFC Account, the PFC Debt Service Subaccount and the PFC Project Subaccount shall be administered and accounted for as provided for herein, as set forth by City guidelines and any other legal requirements.

Section 5.04. Application of PFC Revenues in Section 2.11 of the Master Senior Indenture. In determining compliance with Section 2.11 of the Master Senior Indenture, PFC Revenues shall not be applied to or assumed to pay Maximum Aggregate Annual Debt Service or Aggregate Annual Debt Service on non-PFC Eligible Portions of Bonds.

When preparing the certificate required pursuant to Section 2.11(b)(ii) of the Master Senior Indenture, (a) the Consultant may assume (i) that the rate of the levy of Passenger Facility Charges in effect on the date of the certificate will be in effect for the entire forecast period, or

(ii) a higher rate of levy to the extent legislation has been enacted to permit an increase in the rate of the levy of Passenger Facility Charges if the City has taken all action required to impose and use such increased charges at the Airport pursuant to such legislation prior to the date of the Consultant's certificate; and (b) the Consultant, in estimating Net Revenues, shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Fiscal Years immediately preceding the Fiscal Year in which the proposed Series of Bonds are being issued.

Section 5.05. Application of PFC Revenues in Section 5.04 of the Master Senior Indenture. In determining compliance with Section 5.04(b) of the Master Senior Indenture, PFC Revenues shall not be applied to or assumed to pay Annual Debt Service on non-PFC Eligible Portions of the Bonds. No PFC Revenues or Passenger Facility Charges shall be included in Transfer.

Section 5.06. Covenants with Respect to Passenger Facility Charges. The City hereby covenants and agrees that so long as Passenger Facility Charges are designated as Revenues, it shall comply with all provisions of the PFC Act and the PFC Regulations applicable to the City and all provisions of the PFC Approvals, and will not take any action or omit to take any action with respect to the Passenger Facility Charges, any PFC Projects, the Enterprise, or otherwise if such action or omission would, pursuant to the PFC Act and the PFC Regulations, cause the termination of the City's ability to impose Passenger Facility Charges or prevent the use of the Passenger Facility Charges as contemplated by the Master Senior Indenture and this Second Supplemental Senior Indenture. The City hereby covenants and agrees that all moneys in the PFC Account, the PFC Debt Service Subaccount and the PFC Project Subaccount shall be used in compliance with all provisions of the PFC Act, the PFC Regulations and the PFC Approvals applicable to the City. Without limiting the generality of the foregoing, the City hereby covenants and agrees, that, to the extent necessary to comply with the foregoing covenants:

(a) it will diligently seek approval to impose and use Passenger Facility Charges for the PFC Projects within the time periods set forth in the PFC Regulations and will begin implementation of such PFC Projects within the time periods set forth in the PFC Regulations;

(b) it (i) will impose a Passenger Facility Charge to the full extent approval by the Federal Aviation Administration for the Airport and (ii) will not unilaterally decrease the level of the Passenger Facility Charges to be collected from any passenger;

(c) it will not impose any noise or access restrictions at the Airport not in compliance with the Airport Noise and Capacity Act of 1990, Pub. L 101-508, Title IX, Subtitle D, if the imposition of such restriction may result in the termination or suspension of the City's ability to impose or use Passenger Facility Charges at the Airport prior to the charge expiration date or the date the total approved Passenger Facility Charge has been collected;

(d) it will take all actions necessary to cause all collecting air carriers to collect and remit to the City all Passenger Facility Charges at the Airport required by the PFC Regulations to be so collected and remitted; and

(e) it will contest any attempt by the Federal Aviation Administration to terminate or suspend the City's ability to impose, receive or use Passenger Facility Charges at the Airport prior to the charge expiration date or the date the total approved Passenger Facility Charge has been collected.

ARTICLE VI

TAX COVENANTS

Section 6.01. Series 2010 Rebate Fund. The City hereby agrees that it will execute the Tax Certificate and will, pursuant to this Second Supplemental Senior Indenture, cause the Series 2010 Rebate Fund to be established, which fund will be funded if so required under the Tax Certificate and amounts in such Series 2010 Rebate Fund shall be held and disbursed in accordance with the Tax Certificate.

Section 6.02. Preservation of Tax Exemption on the Series 2010 Bonds.

(a) The City shall comply with the covenants and agreements set forth in the Tax Certificate.

(b) The City shall not use or permit the use of any proceeds of the Series 2010 Bonds or any other funds of the City held by the Trustee under the Master Senior Indenture and this Second Supplemental Senior Indenture allocable to the Series 2010 Bonds, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the City or the Trustee with respect to the Series 2010 Bonds in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Series 2010 Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code, which would cause any Series 2010 Bond to be a "private activity bond" within the meaning of Sections 103 and 141 of the Code, or which would cause any Series 2010 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder and under Section 103(b) of the Code. The City shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. In the event the City is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Trustee or to use such money in certain manners, in order to avoid the Series 2010 Bonds being considered "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations thereunder as such may be applicable to the Series 2010 Bonds at such time, the City shall issue to the Trustee a certificate to such effect together with appropriate instructions, in which event the Trustee shall take such action as it is directed to take to use such money in accordance with such certificate and instructions, irrespective of whether the Trustee shares such opinion.

(c) The City shall at all times do and perform all acts and things permitted by law and this Second Supplemental Senior Indenture which are necessary or desirable in order to assure that interest paid on the Series 2010 Bonds will not be included in gross income for federal income tax purposes and shall take no action that would result in such interest being included in gross income for federal income tax purposes.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Second Supplemental Senior Indenture or the Series 2010 Bonds must be in writing except as expressly provided otherwise in this Second Supplemental Senior Indenture or the Series 2010 Bonds.

(b) Any notice or other communication, unless otherwise specified, shall be sufficiently given and deemed given when mailed by first-class mail, postage prepaid, addressed to the City or the Trustee at the addresses provided in the Master Senior Indenture or when delivered by hand and received by the City or the Trustee at the addresses provided in the Master Senior Indenture. Any addressee may designate additional or different addresses for purposes of this Section.

Section 7.02. Modification of Master Senior Indenture and this Second Supplemental Senior Indenture. The City may, from time to time and at any time execute and deliver Supplemental Senior Indentures supplementing and/or amending the Master Senior Indenture and this Second Supplemental Senior Indenture in the manner set forth in Article X of the Master Senior Indenture.

Section 7.03. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Second Supplemental Senior Indenture, failure of the City to comply with its obligations set forth in the Continuing Disclosure Certificate shall not constitute an Event of Default (as specified in Article VIII of the Master Senior Indenture); provided, however, that the underwriters for the Series 2010 Bonds or any Bondholder or beneficial owner of the Series 2010 Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations under this Section, including seeking mandate or specific performance by court order.

Section 7.04. Parties Interested Herein. Nothing in this Second Supplemental Senior Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Trustee and the Bondholders of the Series 2010A Bonds, any right, remedy or claim under or by reason of this Second Supplemental Senior Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Second Supplemental Senior Indenture contained by and on

behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee and the Bondholders of the Series 2010 Bonds.

Section 7.05. Severability. If any provision of this Second Supplemental Senior Indenture shall be determined to be unenforceable, that shall not affect any other provision of this Second Supplemental Senior Indenture.

Section 7.06. Payments or Actions Occurring on Non-Business Days. If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made or the action taken on the stated date, and no interest shall accrue for the intervening period.

Section 7.07. Governing Law. This Second Supplemental Senior Indenture shall be governed by and construed in accordance with the laws of the State.

Section 7.08. Captions. The captions in this Second Supplemental Senior Indenture are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Second Supplemental Senior Indenture.

Section 7.09. Counterparts. This Second Supplemental Senior Indenture may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

[End of Second Supplemental Senior Trust Indenture]

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Senior Trust Indenture to be duly executed, all as of the date first above written.

CITY OF LONG BEACH

By _____
City Manager

Attest:

By _____
City Clerk

Approved as to form:

ROBERT E. SHANNON, City Attorney

By _____
Assistant City Attorney

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By _____
Authorized Representative

[Signature page to Second Supplemental Senior Trust Indenture]

EXHIBIT A
FORM OF BOND

EXHIBIT B
SERIES 2010A PROJECT

EXHIBIT C-1

FORM OF SERIES 2010A CONSTRUCTION FUND REQUISITION

Requisition No. _____

To: The Bank of New York Mellon Trust Company, N.A.
700 South Flower Street, Suite 500,
Los Angeles, California 90017-4104
Attention: Corporate Trust Department

Re: Requisition of Funds from City of Long Beach, California Senior Airport
Revenue Bonds Series 2010A Construction Fund

The amount requisitioned: \$ _____

Payment to be made to: _____

Manner in which payment is to be made: _____

Description of Costs of Series 2010A Project: _____

The undersigned, an Authorized City Representative within the meaning of the Master Senior Trust Indenture, dated as of December 1, 2009, (the "Master Senior Indenture"), by and between the City of Long Beach (the "City"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and the Second Supplemental Senior Trust Indenture, dated as of [_____] 1, 2010 (the "Second Supplemental Senior Indenture"), by and between the City and 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 Senior Airport Revenue Bonds Series 2010A Construction Fund held under the Second Supplemental Senior Indenture and directs that payment be made in the manner described above.

The amount to be paid represents Costs of the Series 2010A Project (as defined in the Second Supplemental Senior Indenture) and does not represent Costs of Issuance (as defined in the Second Supplemental Senior Indenture) associated with the issuance of the City of Long Beach, California Senior Airport Revenue Bonds Series 2010A (the "Series 2010A Bonds") and the amounts requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate, dated [_____] 2010 and relating to the Series 2010A Bonds.

Dated: _____.

By _____
Authorized City Representative

EXHIBIT C-2

FORM OF SERIES 2010 COSTS OF ISSUANCE FUND REQUISITION

Requisition No. _____

To: The Bank of New York Mellon Trust Company, N.A.
700 South Flower Street, Suite 500,
Los Angeles, California 90017-4104
Attention: Corporate Trust Department

Re: Requisition of Funds from City Long Beach, California Senior Airport Revenue
Bonds Series 2010[A/B] Costs of Issuance Account

The amount requisitioned: \$ _____

Payment to be made to: _____

Manner in which payment is to be made: _____

Description of Costs of Issuance: _____

The undersigned, an Authorized City Representative within the meaning of the Master Senior Trust Indenture, dated as of December 1, 2009, (the "Master Senior Indenture"), by and between the City of Long Beach (the "City"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and the Second Supplemental Senior Trust Indenture, dated as of [_____] 1, 2010 (the "Second Supplemental Senior Indenture"), by and between the City and 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 Senior Airport Revenue Bonds Series 2010[A/B] Costs of Issuance Account held under the Second Supplemental Senior Indenture and directs that payment be made in the manner described above.

The amount to be paid represents Costs of Issuance (as defined in the Second Supplemental Senior Indenture) associated with the issuance of the City of Long Beach, California Senior Airport Revenue Bonds Series 2010[A/B] (the "Series 2010[A/B] Bonds") and the amounts requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Master Senior Indenture, the Second Supplemental Senior Indenture and the Tax Compliance Certificate, dated [_____] 2010 and relating to the Series 2010[A/B] Bonds.

Dated: _____.

By _____
Authorized City Representative

EXHIBIT C-3

**FORM OF SERIES [A/B] COMMERCIAL PAPER
REPAYMENT FUND REQUISITION**

Requisition No. _____

To: The Bank of New York Mellon Trust Company, N.A.
700 South Flower Street, Suite 500,
Los Angeles, California 90017-4104
Attention: Corporate Trust Department

Re: Requisition of Funds from City Long Beach, California Series [A/B] Commercial
Paper Repayment Fund

The amount requisitioned: \$ _____

Payment to be made to: _____

Manner in which payment is to be made: _____

The undersigned, an Authorized City Representative within the meaning of the Master Senior Trust Indenture, dated as of December 1, 2009, (the "Master Senior Indenture"), by and between the City of Long Beach (the "City"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and the Second Supplemental Senior Trust Indenture, dated as of [_____] 1, 2010 (the "Second Supplemental Senior Indenture"), by and between the City and 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 Long Beach, California Series [A/B] Commercial Paper Repayment Fund held under the Second Supplemental Senior Indenture and directs that payment be made in the manner described above.

The amount to be paid represents principal of the Refunded Series [A/B] Commercial Paper Notes and the amounts requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate, dated [_____] 2010 and relating to the Series 2010[A/B] Bonds (as defined in the Second Supplemental Senior Indenture).

Dated: _____

By _____
Authorized City Representative