

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-25

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6845 • Fax (562) 570-5836

May 20, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record regarding the Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing.

Adopt attached resolution authorizing the expansion of the City's existing commercial paper program to permit the issuance of City Subordinate Airport Revenue Commercial Paper Notes in an amount not to exceed \$30,000,000; approving related documents, authorizing and directing execution thereof and authorizing actions related thereto (District 5).

Increase appropriation in the Airport Enterprise Fund (EF320) in the Public Works Department (PW) by \$15,000,000.

DISCUSSION

In 2004, the City Council approved the Airport Commercial Paper Notes Program of \$15,000,000 for short-term financing of Airport capital projects. A Commercial Paper Notes Program is a short-term financing tool that enables the City to draw down funds as needed for approved capital projects. Low, variable-rate interest is paid on the outstanding notes. The Commercial Paper Notes have various maturities up to a maximum of 270 days. Since Commercial Paper Notes are short-term, they are anticipated to be eventually paid off through a combination of cash and/or possibly long-term bonds. The purpose of the Commercial Paper Program is to provide the City's airport operation with short-term borrowing to cover cash-flow shortages as the airport undertakes approved rehabilitation and maintenance projects. This original \$15,000,000 is committed for airfield pavement projects under contract scheduled for completion in Fiscal Year 2009.

On April 24, 2007, the City Council authorized staff to proceed with the initial design of airport terminal facilities and a new, on-site parking structure. Approximately \$2 million has been spent for design to date. The proposed increase to the Commercial Paper Program from \$15 million to \$30 million will provide short-term funding for the continuation of the design and planning work for the terminal and parking structure prior to the issuance of bonds for the construction costs of these projects. The Airport will utilize both Passenger Facility Charges (PFC) and Airport revenues to fund the principal and interest costs of the Commercial Paper Notes.

The Federal Aviation Administration (FAA) approved the terminal design as an eligible Passenger Facility Charge (PFC) project on April 22, 2008. Of the estimated \$10 million for airport terminal design and permit costs, approximately \$7 million will be paid for with PFC revenue and the remaining portion from airport operating revenue. The Commercial Paper Notes utilized for the estimated \$5 million in parking structure design and permit costs will be paid with parking revenue.

The Internal Revenue Service (IRS) Code requires that the Airport seek approval from the City Council for the notes to be issued. A TEFRA public hearing notification was published in the Press-Telegram on March 21, 2008. The TEFRA hearing was held on April 8, 2008 at 9:00 a.m. The public hearing, required by Federal tax law regulations, was conducted by the City Treasurer in the sixth floor conference room at City Hall. No public comment was presented.

This item was reviewed by Assistant City Attorney Heather A. Mahood on April 15, 2008 and Budget Management Officer Victoria Bell on April 11, 2008.

TIMING CONSIDERATIONS

City Council action on this item is requested on May 20, 2008, to facilitate the forthcoming issuance of Commercial Paper Notes.

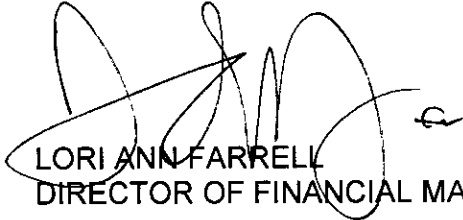
FISCAL IMPACT

The \$15 million increase in the Commercial Paper Note Program will require a \$15 million increase in appropriations in the Airport Enterprise Fund (EF 320) in the Public Works Department (PW). The design and planning work for the terminal and parking structure will be repaid by PFC revenue, parking revenue and Airport operating revenue. The expanded Commercial Paper Program provides for the issuance of up to \$30 million of debt and will provide cash necessary to fund Airport projects included in the Airport Capital Improvement Plan. While the Commercial Paper Program is in place, costs will be incurred to maintain a letter of credit and for interest payments on outstanding Commercial Paper Notes.

SUGGESTED ACTION:

Approve recommendations.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO



CHRISTINE F. ANDERSEN
DIRECTOR OF AIRPORT

LAF/DNEF
K:\EXEC\COUNCIL LETTERS\TREASURY\05-20-08 CCL - 2008 AIRPORT CP PROGRAM INCREASE.DOC

ATTACHMENT¹ - RESOLUTION

APPROVED:



PATRICK H. WEST
CITY MANAGER

¹ These attachments are filed with the City Clerk's Office

- A – Second Supplemental Subordinate Trust Indenture
- B – First Amendment to Issuing and Paying Agent Agreement
- C – Second Amendment to Reimbursement Agreement
- D – Bank Note
- E – First Amendment to Commercial Paper Dealer Agreement
- F – Offering Memorandum
- G – Related documents

SECOND SUPPLEMENTAL SUBORDINATE TRUST INDENTURE

by and between

CITY OF LONG BEACH

and

**THE BANK OF NEW YORK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Trustee**

Dated as of May 1, 2008

Relating to

\$30,000,000

City of Long Beach, California

Subordinate Airport Revenue Commercial Paper Notes

Series A (Non-AMT)

Series B (AMT)

Series C (Taxable)

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SECOND SUPPLEMENTAL SUBORDINATE TRUST INDENTURE

THIS SECOND SUPPLEMENTAL SUBORDINATE TRUST INDENTURE (this “Second Supplemental Subordinate Indenture”), dated as of May 1, 2008, is made by and between **CITY OF LONG BEACH**, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (the “City”) and **THE BANK OF NEW YORK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”), and supplements that Master Subordinate Trust Indenture, dated as of November 1, 2004 (the “Master Subordinate Indenture”) by and between the City and the Trustee, and amends and supplements that First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the “First Supplemental Subordinate Indenture,” and together with the Master Subordinate Indenture, the “Indenture”) by and between the City and the Trustee.

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

WHEREAS, the First Supplemental Subordinate Indenture provides for the implementation of a Commercial Paper Program within the meaning of the Master Subordinate Indenture in order to provide for the financing of certain of its projects and sets forth the terms of the City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series A (Non-AMT) (the “Series A Notes”), the City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series B (AMT) (the “Series B Notes”) and the City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series C (Taxable) (the “Series C Notes,” and together with the Series A Notes and the Series B Notes, the “Commercial Paper Notes”), in an aggregate authorized principal amount of \$15,000,000 and provides for the deposit and use of the proceeds of the Commercial Paper Notes and makes other provisions relating to the Commercial Paper Notes; and

WHEREAS, the City now desires to increase the authorized principal amount of the Commercial Paper Notes to \$30,000,000, by execution and delivery of this Second Supplemental Subordinate Indenture and in compliance with the provisions of the Indenture; and

WHEREAS, the First Supplemental Subordinate Indenture provides for the authorization of certain projects to be paid for with the Series B Notes; and

WHEREAS, the City now desires to expand the list of authorized projects to be paid for with the Series B Notes.

ARTICLE I

DEFINITIONS; INTERPRETATIONS

Section 1.01. Definitions. The following definition shall apply to terms used in this Second Supplemental Subordinate Indenture, unless the context clearly requires otherwise and shall be applicable to both the singular and plural forms of any of the terms defined.

“*Second Supplemental Subordinate Indenture*” means this Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008, by and between the City and the Trustee and which sets forth the terms of the Commercial Paper Notes.

Section 1.02. Incorporation of Definitions Contained in the Indenture. Except as otherwise provided in Section 1.01 of this Second Supplemental Subordinate Indenture, all words, terms and phrases defined in the Master Subordinate Indenture and the First Supplemental Subordinate Indenture shall have the same meanings herein as in the Master Subordinate Indenture and the First Supplemental Subordinate Indenture.

Section 1.03. Article and Section References. Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this Second Supplemental Subordinate Indenture.

Section 1.04. Content of Certificates and Opinions. Every certificate or opinion provided for in this Second Supplemental Subordinate Indenture with respect to compliance with any provision hereof or thereof shall include (a) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (c) a statement (i) that, in the opinion of such person, he or she has made or caused to be made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter or (ii) that he or she had made or caused to be made his or her examination or investigation with respect to the subject matter in accordance with specified professional standards; and (d) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the City may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant or an independent consultant, unless such officer or staff member knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant or an independent consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the City) upon a certificate or opinion of or representation by an officer of the City, unless such counsel, accountant or independent consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person’s certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the City, or the same counsel or accountant or independent consultant, as the

case may be, need not certify to all of the matters required to be certified under any provision of this Second Supplemental Subordinate Indenture, but different officers, staff members, counsel, accountants or independent consultants may certify to different matters, respectively.

Section 1.05. References to a Credit Provider or a Credit Facility. References to a Credit Provider or Credit Providers or a Credit Facility or Credit Facilities shall only be operative hereunder if a Credit Facility is, or Credit Facilities are, then in effect with respect to any Commercial Paper Notes or any Payment Obligations remain outstanding under the Reimbursement Agreement.

ARTICLE II

EXCHANGE OF MASTER NOTES AND BANK NOTE

Section 2.01. Master Notes. The original Master Notes, held by the Trustee, shall be destroyed by the Trustee and replaced with new Master Notes reflecting the new authorized principal amount of \$30,000,000.

Section 2.02. Bank Note. The Bank shall issue and deliver a new Bank Note reflecting the new authorized principal amount of \$30,000,000, thereby cancelling the previous Bank Note.

ARTICLE III

AMENDMENT TO SECTION 2.14 OF THE MASTER SUBORDINATE INDENTURE

Section 2.14 of the Master Subordinate Indenture shall be amended and restated in full to read as follows:

“Section 2.14. Issuance of Initial Subordinate Obligations. The Initial Subordinate Obligations shall be issued as a part of a Commercial Paper Program and in several Series, all pursuant to one or more Supplemental Subordinate Indentures. The Initial Subordinate Obligations shall be denominated “City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series ____.” Each Series of the Initial Subordinate Obligations shall be given a separate consecutive letter designation, beginning with the letter “A.” The Initial Subordinate Obligations shall be issued, from time to time, in an aggregate Principal Amount for all Series not exceeding \$30,000,000.”

ARTICLE IV

AMENDMENTS TO ARTICLE I OF THE FIRST SUPPLEMENTAL SUBORDINATE INDENTURE

(a) The definition of “Authorized Amount” contained in Article I of the First Supplemental Subordinate Indenture shall be amended and restated in full to read as follows:

“Authorized Amount” means for purposes of this Second Supplemental Subordinate Indenture the aggregate principal amount of \$30,000,000.

(b) The definition of “Available Authorized Amount” contained in Article I of the First Supplemental Subordinate Indenture shall be amended and restated in full to read as follows:

“*Available Authorized Amount*” means initially \$30,000,000 and thereafter Available Authorized Amount as modified by a Change in Available Authorized Amount Certificate.

(c) The definition of “Bank” contained in Article I of the First Supplemental Subordinate Indenture shall be amended and restated in full to read as follows:

“*Bank*” means, initially, JPMorgan Chase Bank, National Association, the Credit Provider which is issuing the initial Letter of Credit and/or any other Credit Provider that is the issuer of a Letter of Credit or other form of Credit Facility then outstanding and effective hereunder.

ARTICLE V

AMENDMENTS TO EXHIBIT D OF THE FIRST SUPPLEMENTAL SUBORDINATE INDENTURE.

Exhibit D to the First Supplemental Subordinate Indenture shall be amended and restated to read as follows:

[Remainder of Page Left Blank Intentionally]

EXHIBIT D

LIST OF SERIES B PROJECTS

(1) Runway Rehabilitation
(a) Complete rehabilitation of primary Runway 12-30
(b) Rehabilitate Runway 16L-34R
(c) Rehabilitate Runway 16R-34L
(2) Taxiway and Airfield Pavement Rehabilitation
(a) Rehabilitate Taxiways A, B, C, D, J and K
(b) Construct Taxiway J3 (connecting taxiway to Runway 7R)
(c) Reconstruct airport perimeter road and miscellaneous airfield pavement repair
(d) Pave islands between Taxiway C and the air carrier ramp to full strength pavement
(e) Rehabilitate and improve taxilanes in various locations
(f) Pavement Management Survey
(3) Security
(a) Replace and upgrade Security Access Control System
(b) Relocate and upgrade Security Operations Control Center
(c) Improve and upgrade airport surveillance systems
(d) Fire Department Quick Response and new fire engine (ARFF vehicle)
(e) Property purchase to enhance safety areas for Runways 12-30 and 7L-25R
(4) OTHERS
(a) Noise monitoring
(b) Terminal area improvements
(c) Parking lot repairs and lighting
(d) Airport layout plan
(e) Wildlife mitigation activities
(5) LONG BEACH AIRPORT TERMINAL IMPROVEMENT PROJECT
(a) Design of parking structure and associated improvements
(b) Design of terminal and associated improvements

[End of Second Supplemental Subordinate Trust Indenture]

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

CITY OF LONG BEACH

By _____
Patrick H. West, City Manager

Attest:

By _____
City Clerk

Approved as to form:

ROBERT E. SHANNON, City Attorney

By _____
Assistant City Attorney

THE BANK OF NEW YORK TRUST
COMPANY, NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Officer

[Signature page to Second Supplemental Subordinate Trust Indenture]

EXHIBIT A-1

FORM OF SERIES A NOTE AND SERIES B NOTE

CITY OF LONG BEACH, CALIFORNIA
SUBORDINATE AIRPORT REVENUE COMMERCIAL PAPER NOTE
[SERIES A-*] (Non-AMT)
[SERIES B-*] (AMT)

NOTE NO. _____

PRINCIPAL AMOUNT: \$ _____

MATURITY DATE:	INTEREST RATE:	ORIGINAL ISSUE DATE:	INTEREST AMOUNT:	CUSIP
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REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

This Note is a special limited obligation of the City of Long Beach (the “City”), payable solely from and secured by a pledge of Subordinate Net Revenues (as defined in the hereinafter defined Master Subordinate Indenture) derived by the City from the operations of the Enterprise (as defined in the hereinafter defined Master Subordinate Indenture) and certain funds and accounts. None of the properties of the Enterprise are subject to any mortgage or other lien for the benefit of the owner of this Note, and neither the full faith and credit nor the taxing power of the City, the State of California (the “State”) or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on this Note. Neither this Note nor the obligation to pay principal of or interest thereon constitutes a debt of the City, the State or any of its political subdivisions within the meaning of any Constitutional limitation on indebtedness.

The City, for value received, hereby promises to pay to the registered owner hereof (herein called “the Holder”), on the Maturity Date identified above, but solely from the revenues, income and other moneys hereinafter mentioned, the Principal Amount identified above, together with interest on said Principal Amount at the Interest Rate per annum (calculated on the basis of a year containing 365/366 days and actual number of days elapsed) identified above, upon the presentation and surrender hereof at The Bank of New York Trust Company, National Association (the “Issuing and Paying Agent”). The principal of and interest on this Note shall be payable in lawful money of the United States of America on the Maturity Date.

The City has entered into a Master Subordinate Trust Indenture, dated as of November 1, 2004 (the “Master Subordinate Indenture”) with The Bank of New York Trust Company, National Association, as trustee (the “Trustee”). Such Master Subordinate Indenture provides that the City may issue bonds and incur other indebtedness under the terms and conditions set forth in the Master Subordinate Indenture and supplemental indentures. All bonds and other

indebtedness issued thereunder and secured thereby are collectively referred to herein as "Subordinate Obligations." This Note constitutes a "Subordinate Obligation" within the meaning of the Master Subordinate Indenture and secured in the manner provided in the Master Subordinate Indenture.

This Note is one of a duly authorized issue of commercial paper notes of the City (the "Commercial Paper Notes"), all of which have been issued pursuant to Article XVII of the City Charter (the "Charter") and in pursuance of the laws and Constitution of the State of California, Resolution No. C-28468 of the City Council adopted on October 19, 2004 and Resolution No. [REDACTED] of the City Council adopted on May 20, 2008 (collectively, the "Resolutions").

This Note is part of a program of Commercial Paper Notes of the City issued under the Master Subordinate Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture") by and between the City and the Trustee, the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture") by and between the City and the Trustee, and the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 (the "Second Supplemental Subordinate Indenture," and together with the Master Subordinate Indenture and the First Supplemental Subordinate Indenture, the "Indenture") by and between the City and the Trustee. The program of which this Note is a part is authorized in the aggregate principal amount not to exceed \$30,000,000 outstanding at any one time and designated as City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series A (Non-AMT), City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series B (AMT) and City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series C (Taxable) (collectively, the "Notes"). The Notes will, at the time of issuance, be designated as Series A, Series B or Series C. The Series A Notes, the Series B Notes and the Series C Notes are equally and ratably secured under the Indenture. The Master Subordinate Indenture also provides for the incurrence of additional debt, including the issuance of additional Subordinate Obligations, to be secured under the Master Subordinate Indenture equally and ratably with the Commercial Paper Notes.

This Note shall be payable solely from and secured by a lien upon and pledge of the Subordinate Net Revenues, the proceeds of Notes issued to retire this Note and from amounts available to the Trustee under the Letter of Credit (as defined in the First Supplemental Subordinate Indenture).

This Note shall not be entitled to any security, right or benefit under the Indenture or become valid or obligatory for any purpose until it shall have been authenticated by the Issuing and Paying Agent by its execution of the certificate of authentication endorsed hereon.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of California, the Act (as defined in the Master Subordinate Indenture) and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this Note and the issue of which this Note is a part, do exist, have happened and have been performed in due time, form and manner as required by such Constitution, laws, the Act and the Indenture; that the amount of this Note and the issue of which this Note is a part does not exceed any constitutional or statutory limitations of indebtedness; and

that provision has been made for the payment of the principal of and interest on this Note and the series of which it is a part as provided in the Indenture.

IN WITNESS WHEREOF, the City has caused this Note to be signed in its name and on its behalf by the facsimile signature of the City Manager and a facsimile of its seal thereof to be imprinted hereon and attested by the facsimile signature of the City Clerk, as of the date of issue set forth on this Note.

CITY OF LONG BEACH

By _____
City Manager

Attest:

By _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Note is one of an issue described in the First Supplemental Subordinate Indenture and the Second Supplemental Subordinate Indenture mentioned herein.

THE BANK OF NEW YORK TRUST
COMPANY, NATIONAL ASSOCIATION, as
Issuing and Paying Agent

By _____
Authorized Signatory

Date of Authentication: _____

[FORM OF ASSIGNMENT]

I or we assign and transfer to

Insert social security or other
identifying number of assignee

[_____]

[_____]

(Print or type name, address and zip code of assignee) this Bond and irrevocably appoint

_____ agent to transfer this Note on the books of the City. The
agent may substitute another to act for him.

Dated: _____

Signed _____
(Sign exactly as name appears on the face of this Note)

Signature guaranteed: _____
(NOTE: Signature must be guaranteed
by an Eligible Guarantor Institution.)

EXHIBIT A-2

FORM OF SERIES C NOTE

CITY OF LONG BEACH, CALIFORNIA
SUBORDINATE AIRPORT REVENUE COMMERCIAL PAPER NOTE
[SERIES C-*]
(TAXABLE)

NOTE NO. _____ PRINCIPAL AMOUNT: \$ _____

MATURITY DATE:	INTEREST RATE:	ORIGINAL ISSUE DATE:	INTEREST AMOUNT:	CUSIP
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REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

This Note is a special limited obligation of the City of Long Beach (the "City"), payable solely from and secured by a pledge of Subordinate Net Revenues (as defined in the hereinafter defined Master Subordinate Indenture) derived by the City from the operations of the Enterprise (as defined in the hereinafter defined Master Subordinate Indenture) and certain funds and accounts. None of the properties of the Enterprise are subject to any mortgage or other lien for the benefit of the owner of this Note, and neither the full faith and credit nor the taxing power of the City, the State of California (the "State") or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on this Note. Neither this Note nor the obligation to pay principal of or interest thereon constitutes a debt of the City, the State or any of its political subdivisions within the meaning of any Constitutional limitation on indebtedness.

The City, for value received, hereby promises to pay to the registered owner hereof (herein called "the Holder"), on the Maturity Date identified above, but solely from the revenues, income and other moneys hereinafter mentioned, the Principal Amount identified above, together with interest on said Principal Amount at the Interest Rate per annum (calculated on the basis of a 360-day year and actual number of days elapsed) identified above, upon the presentation and surrender hereof at The Bank of New York Trust Company, National Association (the "Issuing and Paying Agent"). The principal of and interest on this Note shall be payable in lawful money of the United States of America on the Maturity Date.

The City has entered into a Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture") with The Bank of New York Trust Company, National Association, as trustee (the "Trustee"). Such Master Subordinate Indenture provides that the City may issue bonds and incur other indebtedness under the terms and conditions set forth in the Master Subordinate Indenture and supplemental indentures. All bonds

and other indebtedness issued thereunder and secured thereby are collectively referred to herein as "Subordinate Obligations." This Note constitutes a "Subordinate Obligation" within the meaning of the Master Subordinate Indenture and is secured in the manner provided in the Master Subordinate Indenture.

This Note is one of a duly authorized issue of commercial paper notes of the City (the "Commercial Paper Notes"), all of which have been issued pursuant to Article XVII of the City Charter (the "Charter") and in pursuance of the laws and Constitution of the State of California, Resolution No. C-28468 of the City Council adopted on October 19, 2004 and Resolution No. [REDACTED] of the City Council adopted on May 20, 2008 (collectively, the "Resolutions").

This Note is part of a program of Commercial Paper Notes of the City issued under the Master Subordinate Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture") by and between the City and the Trustee, the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture") by and between the City and the Trustee, and the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 (the "Second Supplemental Subordinate Indenture," and together with the Master Subordinate Indenture and the First Supplemental Subordinate Indenture, the "Indenture") by and between the City and the Trustee. The program of which this Note is a part is authorized in the aggregate principal amount not to exceed \$30,000,000 outstanding at any one time and designated as City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series A (Non-AMT), City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series B (AMT) and City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series C (Taxable) (collectively, the "Notes"). The Notes will, at the time of issuance, be designated as Series A, Series B or Series C. The Series A Notes, the Series B Notes and the Series C Notes are equally and ratably secured under the Indenture. The Master Subordinate Indenture also provides for the incurrence of additional debt, including the issuance of additional Subordinate Obligations, to be secured under the Master Subordinate Indenture equally and ratably with the Commercial Paper Notes.

This Note shall be payable solely from and secured by a lien upon and pledge of the Subordinate Net Revenues, the proceeds of Notes issued to retire this Note and from amounts available to the Trustee under the Letter of Credit (as defined in the First Supplemental Subordinate Indenture).

This Note shall not be entitled to any security, right or benefit under the Indenture or become valid or obligatory for any purpose until it shall have been authenticated by the Issuing and Paying Agent by its execution of the certificate of authentication endorsed hereon.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of California, the Act (as defined in the Master Subordinate Indenture) and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this Note and the issue of which this Note is a part, do exist, have happened and have been performed in due time, form and manner as required by such Constitution, laws, the Act and the Indenture; that the amount of this Note and the issue of which this Note is a part does not exceed any constitutional or statutory limitations of indebtedness; and

that provision has been made for the payment of the principal of and interest on this Note and the series of which it is a part as provided in the Indenture.

IN WITNESS WHEREOF, the City has caused this Note to be signed in its name and on its behalf by the facsimile signature of the City Manager and a facsimile of its seal thereof to be imprinted hereon and attested by the facsimile signature of the City Clerk, as of the date of issue set forth on this Note.

CITY OF LONG BEACH

By _____
City Manager

Attest:

By _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Note is one of an issue described in the First Supplemental Subordinate Indenture and the Second Supplemental Subordinate Indenture mentioned herein.

THE BANK OF NEW YORK TRUST
COMPANY, NATIONAL ASSOCIATION, as
Issuing and Paying Agent

By _____
Authorized Signatory

Date of Authentication: _____

[FORM OF ASSIGNMENT]

I or we assign and transfer to

Insert social security or other
identifying number of assignee

[_____]

[_____]

(Print or type name, address and zip code of assignee) this Note and irrevocably appoint

_____ agent to transfer this Note on the books of the City. The
agent may substitute another to act for him.

Dated: _____

Signed _____
(Sign exactly as name appears on the face of this Note)

Signature guaranteed: _____

(NOTE: Signature must be
guaranteed by an Eligible Guarantor
Institution.)

EXHIBIT B

**FORM OF CHANGE IN AVAILABLE
AUTHORIZED AMOUNT CERTIFICATE**

**CITY OF LONG BEACH
SUBORDINATE AIRPORT REVENUE COMMERCIAL PAPER NOTES**

The undersigned, on behalf of the City of Long Beach (the "City") pursuant to that certain Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture") by and between the City and The Bank of New York Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture") by and between the City and the Trustee, as amended and supplemented by the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 (the "Second Supplemental Subordinate Indenture" and together with the Master Subordinate Indenture and the First Supplemental Subordinate Indenture, the "Indenture") by and between the City and the Trustee, hereby certifies as follows:

(a) Pursuant to Resolution No. C-28468 adopted by the City Council on October 19, 2004 and Resolution No. [REDACTED] adopted by the City Council on May 20, 2008, the City is authorized to issue from time to time Commercial Paper Notes in an aggregated amount not to exceed the Authorized Amount.

(b) The Indenture authorizes a Designated Representative from time to time to establish the Available Authorized Amount pursuant to a Change in Available Authorized Amount Certificate.

(c) The Available Authorized Amount as of the date hereof shall be \$ _____.

(d) The Available Authorized Amount established pursuant to (c) hereof does not exceed the Authorized Amount.

All capitalized terms used herein and not defined herein shall have the meanings set forth in the Indenture.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this ____ day of _____ 20____.

CITY OF LONG BEACH

By _____
Designated Representative

EXHIBIT C

**FORM OF DTC MUNICIPAL
COMMERCIAL PAPER MASTER NOTE**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC) ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**CITY OF LONG BEACH, CALIFORNIA
SUBORDINATE AIRPORT REVENUE COMMERCIAL PAPER NOTE
MASTER NOTE
[SERIES ____]**

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: Not to exceed Thirty Million Dollars (\$30,000,000) Outstanding

This Master Note is a special limited obligation of the City of Long Beach, California (the “City”), payable solely from and secured by a pledge of Subordinate Net Revenues (as defined in the hereinafter defined Master Subordinate Indenture) derived by the City from the operations of the Enterprise (as defined in the Master Subordinate Indenture) and certain funds and accounts. None of the properties of the Enterprise are subject to any mortgage or other lien for the benefit of the owner of this Master Note, and neither the full faith and credit nor the taxing power of the City, the State of California or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on this Master Note. Neither this Master Note nor the obligation to pay principal of or interest thereon constitutes a debt of the City, the State or any of its political subdivisions within the meaning of any Constitutional limitation on indebtedness.

The City, for value received, hereby promises to pay, but solely from the revenues, income and other moneys hereinafter mentioned, to the registered owner hereof (herein called “the Holder”), the Principal Amount, together with interest on said Principal Amount, if any, on the Maturity Date of each obligation identified on the records of the City (the “Underlying Records”) as being evidenced by this Master Note, which Underlying Records are maintained by The Bank of New York Trust Company, National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”) under the Issuing and Paying Agent Agreement, dated as of November 1, 2004, as amended by the First Amendment to Issuing and Paying Agent Agreement, dated as of May 1, 2008 (collectively, the “Issuing and Paying Agent Agreement”) by and between the City and the Issuing and Paying Agent, and the First Supplemental Subordinate Indenture (as defined below). Interest shall be calculated on the basis of a [year

containing 365/366 days and actual number of days elapsed] [360-day year and actual number of days elapsed] at the rate specified in the Underlying Records. The principal of and interest on this Master Note shall be payable in lawful money of the United States of America by wire transfer to the registered owner stated hereinabove from the Issuing and Paying Agent without the necessity of presentation and surrender of this Master Note.

The City has entered into a Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture") with The Bank of New York Trust Company, National Association, as trustee (the "Trustee"). Such Master Subordinate Indenture provides that the City may issue bonds and incur other indebtedness under the terms and conditions set forth in the Master Subordinate Indenture and supplemental indentures. All bonds and other indebtedness issued thereunder and secured thereby are collectively referred to herein as "Subordinate Obligations." This Note constitutes a "Subordinate Obligation" within the meaning of the Master Subordinate Indenture and secured in the manner provided in the Master Subordinate Indenture.

This Note is one of a duly authorized issue of commercial paper notes of the City (the "Commercial Paper Notes"), all of which have been issued pursuant to Article XVII of the City Charter (the "Charter") and in pursuance of the laws and Constitution of the State of California, Resolution No. C-28468 of the City Council adopted on October 19, 2004 and Resolution No. [REDACTED] of the City Council adopted on May 20, 2008 (collectively, the "Resolutions").

This Master Note is part of a program of Commercial Paper Notes of the City issued under the Master Subordinate Indenture, dated as of November 1, 2004, the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture") by and between the City and the Trustee, and the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 (the "Second Supplemental Subordinate Indenture," and together with the Master Subordinate Indenture and the First Supplemental Subordinate Indenture, the "Indenture") by and between the City and the Trustee. The program of which this Master Note is a part is authorized in the aggregate principal amount not to exceed \$30,000,000 outstanding at any one time and designated as the City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series A (Non-AMT), City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series B (AMT) and the City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series C (Taxable) (collectively, the "Commercial Paper Notes"). The Master Subordinate Indenture also provides for the incurrence of additional debt, including the issuance of additional Subordinate Obligations, to be secured under the Master Subordinate Indenture equally and ratably with the Commercial Paper Notes.

This Master Note shall be payable solely from and secured by a lien upon and pledge of the Subordinate Net Revenues, the proceeds of Commercial Paper Notes issued to retire this Master Note and from amounts available to the Trustee under the Letter of Credit (as defined in the Second Supplemental Subordinate Indenture).

This Master Note shall not be entitled to any security, right or benefit under the Indenture or become valid or obligatory for any purpose until it shall have been authenticated by the Issuing and Paying Agent by its execution of the certificate of authentication endorsed hereon.

Reference is hereby made to the Indenture, the Issuing and Paying Agent Agreement and to the Act (as defined in the Master Subordinate Indenture) for a description of the terms on which the Commercial Paper Notes are issued and to be issued, the provisions with regard to the nature and extent of the Subordinate Net Revenues, and the rights of the registered owners of the Commercial Paper Notes; and all the terms of the Indenture, the Issuing and Paying Agent Agreement and the Act are hereby incorporated herein and made a contract between the City and the registered owner from time to time of this Master Note, by its acceptance hereof, consents and agrees.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of California, the Act and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this Master Note and the issue of which this Master Note is a part, do exist, have happened and have been performed in due time, form and manner as required by such Constitution, laws, the Act and the Indenture; that the amount of this Master Note and the issue of which this Master Note is a part does not exceed any constitutional or statutory limitations of indebtedness; and that provision has been made for the payment of the principal of and interest on this Master Note and the series of which it is a part as provided in the Indenture.

IN WITNESS WHEREOF, the City has caused this Master Note to be signed in its name and on its behalf by the facsimile signature of the City Manager and a facsimile of its seal thereof to be imprinted hereon and attested by the facsimile signature of the City Clerk, as of the date of issue set forth on this Master Note.

CITY OF LONG BEACH

By _____
City Manager

Attest:

By _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Master Note is one of an issue described in the First Supplemental Subordinate Indenture and the Second Supplemental Subordinate Indenture mentioned herein.

THE BANK OF NEW YORK TRUST
COMPANY, NATIONAL ASSOCIATION, as
Issuing and Paying Agent

By _____
Authorized Signatory

Date of Authentication: _____

[FORM OF ASSIGNMENT]

I or we assign and transfer to

Insert social security or other
identifying number of assignee

[_____]

[_____]

(Print or type name, address and zip code of assignee) this Master Note and irrevocably
appoint

_____ agent to transfer this Master Note on the books of the
City. The agent may substitute another to act for him.

Dated: _____

Signed _____
(Sign exactly as name appears on the face of this Master Note)

Signature guaranteed: _____
(NOTE: Signature must be
guaranteed by an Eligible Guarantor
Institution.)

EXHIBIT D

**FORM OF NOTICE OF ISSUANCE OF
COMMERCIAL PAPER NOTES**

**CITY OF LONG BEACH
SUBORDINATE AIRPORT REVENUE
COMMERCIAL PAPER NOTES**

To: Lehman Brothers Inc.

**NOTICE OF ISSUANCE OF
COMMERCIAL PAPER NOTES**

The undersigned Designated Representative, on behalf of the City of Long Beach (the "City") pursuant to that certain Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture") by and between the City and The Bank of New York Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture") by and between the City and the Trustee, as amended and supplemented by the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 (the "Second Supplemental Subordinate Indenture" and together with the Master Subordinate Indenture and the First Supplemental Subordinate Indenture, the "Indenture") by and between the City and the Trustee, hereby directs you as follows:

(a) Pursuant to Resolution No. C-28468 adopted by the City Council on October 19, 2004, Resolution No. [REDACTED] of the City Council adopted on May 20, 2008 and the Indenture, the City is authorized to issue Commercial Paper Notes from time to time in Series in an aggregate principal amount not to exceed the Authorized Amount.

(b) Under Sections 2.07 of the First Supplemental Subordinate Indenture, a Designated Representative may from time to time authorize the issuance of Commercial Paper Notes.

(c) The City hereby authorizes the issuance of the following Commercial Paper Notes in an aggregate principal amount of \$ _____ :

Series	Program	Subseries	Aggregate Principal Amount
---------------	----------------	------------------	---------------------------------------

(d) The City hereby instructs Lehman Brothers Inc. to solicit and arrange sales of the above described Commercial Paper Notes.

(e) The City hereby certifies and represents that: (i) the Letter of Credit is in full force and effect; (ii) after the issuance of such Commercial Paper Notes and the application of

the proceeds thereof, the aggregate principal amount of Commercial Paper Notes Outstanding will not exceed the Available Authorized Amount; (iii) the facts, estimates, circumstances and representations set forth or made (as the case may be) in the Tax Certificate continue to exist and are reaffirmed on date hereof; (iv) the City has not been notified by Bond Counsel that its opinion with respect to the validity of the Commercial Paper Notes and the tax treatment of the interest thereof delivered prior to the initial issuance of the Commercial Paper Notes has been revised or withdrawn; (v) no Specified Event of Default has occurred and is then continuing; and (vi) all of the conditions precedent to the issuance of such Commercial Paper Notes set forth in Section 2.07 have been satisfied.

All capitalized terms used herein and not defined shall have the meanings set forth in the Indenture.

IN WITNESS WHEREOF, I have hereto set my hand and delivered this certificate, effective as of _____, 20__.

CITY OF LONG BEACH

By _____
Designated Representative

Cc: Issuing and Paying Agent
Bank

**FIRST AMENDMENT TO
ISSUING AND PAYING AGENT AGREEMENT**

This **FIRST AMENDMENT TO ISSUING AND PAYING AGENT AGREEMENT** (this "Amendment"), dated as of May 1, 2008, 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 TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as issuing and paying agent (the "Issuing and Paying Agent").

RECITALS

1. Pursuant to the Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture") by and between the City and The Bank of New York Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture") by and between the City and the Trustee, the City implemented a Commercial Paper Program for the purpose of financing certain of its projects.

2. The First Supplemental Subordinate Indenture set forth the terms of the City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series A (Non-AMT) (the "Series A Notes"), the City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series B (AMT) (the "Series B Notes") and the City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series C (Taxable) (the "Series C Notes," and together with the Series A Notes and the Series B Notes, the "Commercial Paper Notes"), in an aggregate authorized principal amount not to exceed \$15,000,000 and provided for the deposit and use of the proceeds of the Commercial Paper Notes and make other provisions relating to the Commercial Paper Notes.

3. The City entered into an Issuing and Paying Agent Agreement, dated as of November 1, 2004 (the "Issuing and Paying Agent Agreement") in order to provide for the authentication and delivery of its Commercial Paper Notes and for the transfer of moneys relating to the Commercial Paper Program.

4. Pursuant to the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 (the "Second Supplemental Subordinate Indenture," and together with the Master Subordinate Indenture and the First Supplemental Subordinate Indenture, the "Indenture"), the City increased the aggregate authorized principal amount of the Commercial Paper Notes not to exceed \$30,000,000.

5. The City has determined to enter into this Amendment in order to provide for the authentication and delivery of its Commercial Paper Notes and for the transfer of moneys relating to the Commercial Paper Program in its authorized principal amount not to exceed \$30,000,000.

4. The City has determined that all acts, conditions and things required by law exist, to have happened and to have been performed precedent to and in connection with the execution

and the entering into of this Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Amendment.

NOW, THEREFORE, the parties to this Amendment hereby agree as follows:

Section 1. The City and the Issuing and Paying Agent agree that the authorized principal amount for the Commercial Paper Notes may not exceed \$30,000,000.

Section 2. Section 2 to the Issuing and Paying Agent Agreement shall be amended and restated in full to read as follows:

Section 2. Appointment of Agent. The City hereby appoints The Bank of New York Trust Company, National Association as Issuing and Paying Agent, and The Bank of New York Trust Company, National Association hereby accepts such appointment as the Issuing and Paying Agent in connection with the issuance and payment of the Commercial Paper Notes pursuant to the Indenture. The Issuing and Paying Agent hereby agrees to observe and perform its duties and obligations hereunder and under the Indenture, as amended and supplemented from time to time.

[End of First Amendment to
Issuing and Paying Agent Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Issuing and Paying Agent Agreement to be duly executed, all as of the date first above written.

CITY OF LONG BEACH

By _____
Patrick H. West, City Manager

Attest:

By _____
City Clerk

Approved as to form:

ROBERT E. SHANNON, City Attorney

By _____
Assistant City Attorney

THE BANK OF NEW YORK TRUST
COMPANY, NATIONAL ASSOCIATION, as
Issuing and Paying Agent

By _____
Authorized Representative

[Signature page to First Amendment to
Issuing and Paying Agent Agreement]

SECOND AMENDMENT TO REIMBURSEMENT AGREEMENT

This Second Amendment to Reimbursement Agreement (herein, the "*Amendment*") is entered into as of _____, 2008, between the City of Long Beach, California, a charter city and municipal corporation organized under the Constitution of the State of California (the "*City*"), and JPMorgan Chase Bank, National Association (successor by merger to Bank One, NA (Main Office Chicago)) (the "*Bank*").

PRELIMINARY STATEMENTS

A. The City and the Bank entered into a certain Reimbursement Agreement, dated as of November 1, 2004 as the same has been amended prior to the date hereof, the "*Reimbursement Agreement*"), pursuant to which the Bank issued its Irrevocable Transferable Letter of Credit No. 410728 dated as of November 4, 2004, supporting the City's Subordinate Airport Revenue Commercial Paper Notes Series A (Non-AMT), Series B (AMT) and Series C (Taxable). All capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Reimbursement Agreement.

B. The City and the Bank have agreed to revise the letter of credit fees, extend the expiration date of the Letter of Credit, the Commitment Expiration Date and amend certain provisions of the Reimbursement Agreement under the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. AMENDMENT TO THE REIMBURSEMENT AGREEMENT.

Upon satisfaction of the conditions precedent set forth in Section 2 hereof, the Reimbursement Agreement shall be amended as follows:

1.01. The definitions of "*Commitment Expiration Date*" and "*Maximum Stated Amount*" appearing in Section 1.1 of the Reimbursement Agreement are hereby amended in their entirety, and as amended shall be restated to read as follows:

"*Commitment Expiration Date*" - means April __, 2011, unless extended as provided herein, in which case the Commitment Expiration Date means the date to which the Commitment Expiration Date has been so extended.

"*Maximum Stated Amount*" - means \$32,700,000.

1.02. The first sentence of Section 2.4(d) of the Reimbursement Agreement shall be amended by deleting “\$16,350,000” therefrom and by inserting “\$32,700,000” in lieu thereof.

1.03. Effective on the date hereof, Section 2.5(a) of the Reimbursement Agreement is hereby amended in its entirety, and as amended shall be restated to read as follows:

(a) *Facility Fees.* Quarterly in arrears on the first day of each January, April, July and October (commencing on April 1, 2008 for the period from and including the date hereof to and including March 31, 2008) occurring prior to the Termination Date, and on the Termination Date (each a “*Fee Payment Date*”), the City agrees to pay to the Bank (i)(A) a nonrefundable commitment fee in an amount equal to the rate per annum (the “*Commitment Fee Rate*”) specified below of the Unutilized Amount (B) a nonrefundable letter of credit fee in an amount equal to the rate per annum (the “*Letter of Credit Fee Rate*”) specified below of the Stated Amount (without regard to any temporary reductions of the Stated Amount), in each case from time to time in effect during each related period:

LEVEL	MOODY’S RATING	FITCH RATING	COMMITMENT FEE RATE	LETTER OF CREDIT FEE RATE
Level 1:	A1	A+	0.15%	0.40%
Level 2:	A2	A	0.30%	0.50%
Level 3:	A3	A-	0.40%	0.60%
Level 4:	Baa1	BBB+	0.60%	0.80%
Level 5:	Baa2	BBB	0.70%	1.00%
Level 6:	Baa3	Below BBB-	0.80%	1.20%
Level 7:	Below Baa3	Below BBB-	1.20%	1.60%

In the event that a Rating is suspended or otherwise unavailable from any of the Rating Agencies, the Commitment Fee Rate and the Letter of Credit Fee Rate shall be that set forth in applicable Level 7 above. Upon the occurrence of an Event of Default or upon the occurrence of a Failed Refinancing, the Letter of Credit Fee Rate in effect on the date of such occurrence shall increase by an additional 1.00% per annum. The term “*Rating*” as used above shall mean the Rating assigned to the Senior Lien Obligations (without giving effect to any bond insurance policy or other credit enhancement securing such Senior Lien Obligations) by each of Moody’s and Fitch. In the event of a split Rating (*i.e.*, one of the foregoing Rating Agencies’ Ratings is at a different level than the Rating of the other Rating Agencies), the Commitment Fee Rate and the Letter of Credit Fee Rate shall be based upon the level in

which the lowest Rating appears. Any change in the Commitment Fee Rate or the Letter of Credit Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement by any such Rating Agency of the change in such Rating.

References to Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new or changed rating system which most closely approximates the applicable rating category as currently in effect. The City and the Bank acknowledge that as of the Closing Date the Commitment Fee Rate and the Letter of Credit Fee Rate is that specified above for Level 3. If the City obtains new ratings reviews from Moody's and Fitch, the Commitment Fee Rates and Letter of Credit Fee Rates shown above shall be reduced by 0.05% for each ratings category.

1.04. Exhibit A attached to the Reimbursement Agreement shall be amended and restated in its entirety with Exhibit A attached hereto. Following the execution and delivery of the Amended and Restated Note in the form attached hereto as Exhibit A(i), the Bank will promptly return to the City the original note, and (ii) all references in the Reimbursement Agreement to the "Bank Note" shall be deemed to refer to the note in the form attached as Exhibit A.

CONDITIONS PRECEDENT.

This Amendment shall become effective upon satisfaction of or waiver by the Bank in its sole discretion of all of the following conditions precedent (The execution and delivery of this Amendment by the Bank shall constitute the Bank's acknowledgment that such conditions have been satisfied or waived):

2.01. Delivery by the City of an executed counterpart of this Amendment.

2.02. The following statements shall be true and correct as of the date hereof:

(a) the representations and warranties of the City contained in the Reimbursement Agreement and each of the Related Documents are true and correct on and as of the date hereof as though made on and as of such date (except to the extent the same expressly relate to an earlier date); and

(b) no Event of Default has occurred and is continuing or would result from the execution of this Amendment.

2.03. Payment to the Bank on the effective date of this Amendment of (a) an amendment fee in an amount equal to \$2,000 and (b) the reasonable legal fees of Chapman and Cutler LLP, legal counsel to the Bank.

2.04. Amendments to various Related Documents shall be executed and delivered, in form and substance satisfactory to the Bank.

2.05. All other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to the Bank and its counsel.

3. REPRESENTATIONS AND WARRANTIES.

The City hereby represents and warrants as follows:

3.01. The execution, delivery and performance by the City of this Amendment and the Reimbursement Agreement, as amended hereby, are within its corporate powers, have been duly authorized by all necessary corporate action and do not contravene any law or any contractual restriction binding on or affecting the City.

3.02. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the City of this Amendment or the Reimbursement Agreement, as amended hereby.

3.03. This Amendment and the Reimbursement Agreement, as amended hereby, constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms.

4. MISCELLANEOUS.

Except as specifically amended herein, the Reimbursement Agreement and the Letter of Credit shall continue in full force and effect in accordance with their respective terms. Reference to this specific amendment need not be made in any note, document, agreement, letter, certificate, the Reimbursement Agreement, the Letter of Credit or any communication issued or made subsequent to or with respect to the Reimbursement Agreement or the Letter of Credit, it being hereby agreed that any reference to the Reimbursement Agreement or the Letter of Credit shall be sufficient to refer to the Reimbursement Agreement or the Letter of Credit, as hereby amended. The City agrees to pay all costs and expenses of or incurred by the Bank in connection with the negotiation, preparation, execution and delivery of this Amendment and the reasonable fees and expenses of counsel for the Bank. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Illinois, without giving effect to conflict of law principals; *provided, however*, that the authorization by the City of, and the obligations of the City under this Amendment shall be governed by the laws of the State of California.

This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated as of the date first above written.

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION
(successor by merger to Bank One, NA (Main
Office Chicago))

By _____
Name: _____
Title: _____

Accepted and agreed to:

CITY OF LONG BEACH CALIFORNIA

By _____
Its: _____

Attest:

City Clerk

Approved as to form:

_____, City Attorney

By _____
Assistant City Attorney

EXHIBIT A

AMENDED AND RESTATED NOTE

Dated: April __, 2008

Long Beach, California

For value received, the City of Long Beach, California (the "City") hereby promises to pay to the order of JPMorgan Chase Bank, National Association (successor by merger to Bank One, NA (Main Office Chicago)) (the "Bank"), at the office of the Bank, at 300 S. Riverside Plaza, 7th Floor, Mail Code: IL1-0230, Chicago, IL 60606-0236, the aggregate unpaid principal amount of all unreimbursed Drawings under the Reimbursement Agreement (as defined below), not to exceed Thirty-Two Million Seven Hundred Thousand Dollars (\$32,700,000) on the dates and in the manner provided for in the Reimbursement Agreement, dated as of November 1, 2004 (together with any amendments or supplements thereto, the "Reimbursement Agreement"), by and among the City and the Bank. All capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Reimbursement Agreement.

The City promises to pay interest on the unpaid principal amount of the unreimbursed Drawings evidenced by this Bank Note on the dates and at the rates provided for in the Reimbursement Agreement. All payments of principal and interest shall be made to the Bank, in lawful money of the United States of America in immediately available funds.

This Note is the Bank Note referred to in the Reimbursement Agreement and is entitled to the benefits thereof and of the Related Documents referred to therein. As provided in the Reimbursement Agreement, this Bank Note is subject to prepayment, in whole or in part. In case an Event of Default shall occur and be continuing, the principal of and accrued interest on this Bank Note may be declared due and payable in the manner and with the effect provided in the Reimbursement Agreement. This Note is issued in substitution of and replacement for, and evidences indebtedness previously evidenced by that Note of the City dated November 4, 2004, payable in the face principal amount of \$16,350,000.

The Bank agrees and by acceptance of this Bank Note, that before disposing of this Bank Note it will make a notation on the schedule attached hereto of all principal payments and prepayments made hereunder and of the date to which interest hereon has been paid; *provided, however*, that the failure to make any such notation shall not limit or otherwise affect the obligation of the City hereunder with respect to payments of principal of and interest on this Bank Note.

The general fund of the City is not liable for the payment of principal of and interest on this Bank Note, nor is the credit or taxing power of the City pledged for the payment of principal of and interest on this Bank Note. The holders of this Bank Note shall not compel the exercise of the taxing power by the City or the forfeiture of any of its property except the Net Revenues (as defined in the Reimbursement Agreement). This Bank Note is payable solely from the Net Revenues, to the extent permitted in the Reimbursement Agreement, and the Pledged Funds (each as defined in the Reimbursement Agreement), including any earnings thereon, and this Bank Note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any other property of the City. The holders hereof shall not have the right to demand payment of this obligation from any sources or properties of the City except the Net Revenues, to the extent provided in the Reimbursement Agreement, and the Pledged Funds, including any earnings thereon.

THE OBLIGATIONS OF THE CITY UNDER THIS BANK NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

CITY LONG BEACH, CALIFORNIA

By _____
Its _____

Attest:

City Clerk

AMENDMENT TO LETTER OF CREDIT

The Bank of New York Trust Company,
National Association, as Issuing and Paying Agent
700 Flower Street, Suite 500
Los Angeles, CA 90017

Attention: Corporate Trust Department

Re: City of Long Beach, California Subordinate Airport Revenue
Commercial Paper Notes Series A (Non-AMT), Series B (AMT) and
Series C (Taxable)

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. 410728 dated November 4, 2004 (as amended, the "*Letter of Credit*"), issued by JPMorgan Chase Bank, National Association (successor by merger to Bank One, NA (Main Office Chicago)) (the "*Bank*") in your favor as beneficiary for the account of the City of Long Beach.

The Letter of Credit is hereby amended as follows:

The Maximum Stated Amount set forth in the Letter of Credit shall be increased from \$16,350,000 to \$32,700,000.

Except as specifically amended hereby, all the terms and conditions of the Letter of Credit shall remain unchanged and in full force and effect. No reference to this Amendment need be made in any document, and all references to the Letter of Credit in any document shall be deemed to be references to the Letter of Credit as amended hereby. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed shall be an original but all of which shall constitute one and the same instrument.

Capitalized terms not defined herein shall have the meanings set forth in the Letter of Credit.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned have executed and delivered this Amendment as of the ____ day of April, 2008.

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION (successor by merger to Bank
One, NA (Main Office Chicago))

By: _____
Name: _____
Title: _____

Accepted and agreed to as of the date first written above.

CITY OF LONG BEACH

By: _____
Its: _____

THE BANK OF NEW YORK TRUST COMPANY,
NATIONAL ASSOCIATION, as Issuing and
Paying Agent

By: _____
Name: _____
Title: _____

**FIRST AMENDMENT TO
COMMERCIAL PAPER DEALER AGREEMENT**

This **FIRST AMENDMENT TO COMMERCIAL PAPER DEALER AGREEMENT**, dated as of May 1, 2008 (the "Amendment"), is made by and between the **CITY OF LONG BEACH**, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (the "City") and **LEHMAN BROTHERS INC.**, as Dealer ("Lehman Brothers" or the "Dealer").

For and in consideration of the mutual covenants made herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. The City previously authorized the issuance and reissuance from time-to-time of its tax-exempt and taxable commercial paper notes (the "Notes" or the "Commercial Paper Notes") in the aggregate principal amount not to exceed \$15 million outstanding at any time pursuant to (a) Section 1725 of Article XVII of the City Charter of the City of Long Beach, and (b) the Master Subordinate Trust Indenture, dated as of November 1, 2004 by and between the City and The Bank of New York Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 by and between the City and the Trustee. Additionally, in connection with the issuance of the Notes, the City entered into the Issuing and Paying Agent Agreement, dated as of November 1, 2004 with The Bank of New York Trust Company, National Association, as Issuing and Paying Agent and the Commercial Paper Dealer Agreement, dated as of November 1, 2004 with the Dealer.

Section 2. Pursuant to the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 by and between the City and the Trustee, the City has determined to increase the aggregate principal amount of the Commercial Paper Notes not to exceed \$30 million outstanding at any time.

[End of First Amendment to
Commercial Paper Dealer Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Commercial Paper Dealer Agreement to be duly executed, all as of the date first above written.

CITY OF LONG BEACH

By _____
Patrick H. West, City Manager

Attest:

By _____
City Clerk

Approved as to form:

ROBERT E. SHANNON, City Attorney

By _____
Assistant City Attorney

LEHMAN BROTHERS INC., as Dealer

By _____
Name _____
Title _____

[Signature page to First Amendment to
Commercial Paper Dealer Agreement]

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series A Notes and the Series B Notes is excluded from gross income for federal income tax purposes, except that such exclusion does not apply with respect to interest on any Series B Notes for any period during which such Series B Notes are held by a person who is a "substantial user" of the facilities financed by the Series B Notes or by a person "related" to such "substantial user" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that (a) interest on the Series A Notes is not a specific preference item for purposes of the federal alternative minimum tax, and (b) interest on the Series B Notes is a specific preference item for purposes of the federal alternative minimum tax. Interest on the Series C Notes is included in gross income for federal income tax purposes. Interest on the Series A Notes, the Series B Notes and the Series C Notes is exempt from State of California personal income taxes. See "TAX MATTERS" herein.

\$30,000,000
CITY OF LONG BEACH, CALIFORNIA
SUBORDINATE AIRPORT REVENUE COMMERCIAL PAPER NOTES
SERIES A (Non-AMT)
SERIES B (AMT)
SERIES C (Taxable)

The City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes Series A (Non-AMT) (the "Series A Notes"), Subordinate Airport Revenue Commercial Paper Notes Series B (AMT) (the "Series B Notes") and Subordinate Airport Revenue Commercial Paper Notes Series C (Taxable) (the "Series C Notes," and collectively with the Series A Notes and the Series B Notes, the "Notes") will be issued, from time to time, by the City of Long Beach (the "City") pursuant to the Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture"), by and between the City and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), and the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture" and together with the Master Subordinate Indenture, the "Subordinate Indenture"), by and between the City and the Trustee. The Notes are being issued to finance certain ongoing capital maintenance, rehabilitation projects and design costs at the Long Beach Airport, or any other project costs authorized under any supplement to the Subordinate Indenture. Proceeds from the Notes will also be used to pay all or a portion of the principal of and interest on the Notes when due, reimburse the Bank (as defined below) for any authorized draws under the Letter of Credit (as defined below), and to finance a portion of the costs of issuance.

Pursuant to the terms of the Reimbursement Agreement, dated as of November 1, 2004, as amended (the "Reimbursement Agreement"), between the City and JPMorgan Chase Bank, National Association, formerly known as Bank One, NA (the "Bank"), the Bank issued an irrevocable letter of credit (the "Letter of Credit"). Pursuant to the Letter of Credit, the Issuing and Paying Agent will make draws under the Letter of Credit to pay the principal of and interest on the Notes at maturity. The Letter of Credit was issued in the Maximum Stated Amount of \$32,700,000 (representing principal and interest). The Letter of Credit expires on May [20], 2011 unless earlier terminated or extended in accordance with its terms.

The Notes will be issued only as fully registered notes in denominations of \$100,000 or integral multiples of \$1,000 above \$100,000. When issued, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Notes will be made in book-entry-only form. Purchasers of beneficial interests in the Notes (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Notes. Interest on the Notes, together with the principal of the Notes, will be paid directly to DTC, so long as the Notes are held in book-entry-only form. See "THE NOTES—Book-Entry-Only System."

The aggregate principal amount of the Notes which may be outstanding under the Subordinate Indenture may not be in an amount such that the aggregate principal amount of the Notes, together with the interest due on such Notes at maturity, exceeds the aggregate amount available to the Issuing and Paying Agent under the Letter of Credit. The maximum interest rate on the Notes will be the lesser of 12% per annum and the maximum rate permitted by applicable law.

THE NOTES ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM AND SECURED BY (A) DRAWS UNDER THE LETTER OF CREDIT, (B) PROCEEDS OF THE NOTES, AND (C) SUBORDINATE NET REVENUES (AS DEFINED HEREIN), DERIVED BY THE CITY FROM THE OPERATIONS OF THE ENTERPRISE (AS DEFINED HEREIN). NONE OF THE PROPERTIES OF THE ENTERPRISE ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THE NOTES, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE NOTES. NEITHER THE NOTES NOR THE OBLIGATION TO PAY PRINCIPAL OF OR INTEREST THEREON CONSTITUTES A DEBT OF THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS.

IN LIGHT OF THE PRESENCE OF THE LETTER OF CREDIT, AS DESCRIBED HEREIN, NOT ALL RELEVANT INFORMATION WITH RESPECT TO THE SUBORDINATE INDENTURE AND THE OPERATIONS OF THE ENTERPRISE THAT MAY BE NECESSARY TO ANALYZE ITS CURRENT FINANCIAL CONDITION IS INCLUDED IN THIS OFFERING MEMORANDUM. IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF THE NOTES, PROSPECTIVE PURCHASERS OF THE NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE BANK AND NOT ON THE CREDIT OF THE ENTERPRISE WITH REGARDS TO THE PAYMENT OF PRINCIPAL AND INTEREST ON THE NOTES. This cover page is not intended to be a summary of the terms of, or the security for, the Notes. Investors are advised to read the Offering Memorandum in its entirety to obtain information essential to the making of an informed investment decision.

LEHMAN BROTHERS

Date of Offering Memorandum: [], 2008

The information in this Offering Memorandum has been obtained from the City, the Trustee, the Issuing and Paying Agent, the Bank, DTC and other sources believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. The references herein to the Subordinate Indenture, the Issuing and Paying Agent Agreement, the Notes, the Letter of Credit, and the Reimbursement Agreement do not purport to be complete or definitive, do not constitute summaries thereof and are qualified in their entirety by reference to the provisions thereof. No dealer, salesperson or other person has been authorized to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by the City or any other person. The Notes are exempted from the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended. The information and expressions of opinion in this Offering Memorandum are subject to change without notice and neither the delivery of this Offering Memorandum nor any sale hereunder shall under any circumstances create the implication that there has been no change in the matters referred to in this Offering Memorandum since the date hereof.

This Offering Memorandum is not to be construed as a contract between the City and the purchasers of the Notes. This Offering Memorandum does not constitute an offer to sell securities in any jurisdiction to any person to whom it is unlawful to make such offers. Prospective purchasers of the Notes are expected to conduct their own review and analysis before making an investment decision.

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OFFERING MEMORANDUM

\$30,000,000

**CITY OF LONG BEACH, CALIFORNIA
SUBORDINATE AIRPORT REVENUE COMMERCIAL PAPER NOTES
SERIES A (Non-AMT)
SERIES B (AMT)
SERIES C (Taxable)**

INTRODUCTION

This Offering Memorandum, which includes the cover page and appendices, furnishes general information in connection with the issuance and sale, from time to time, by the City of Long Beach, California (the "City") of its Subordinate Airport Revenue Commercial Paper Notes Series A (Non-AMT) (the "Series A Notes"), Subordinate Airport Revenue Commercial Paper Notes Series B (AMT) (the "Series B Notes"), and Subordinate Airport Revenue Commercial Paper Notes Series C (Taxable) (the "Series C Notes," and collectively with the Series A Notes and the Series B Notes, the "Notes"). The Notes will be issued, from time to time, by the City pursuant to (a) Section 1725 of Article XVII of the City Charter of the City of Long Beach (the "Charter"), (b) the Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture"), by and between the City and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), (c) the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture"), by and between the City and the Trustee, and (d) the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 (the "Second Supplemental Subordinate Indenture," and together with the Master Subordinate Indenture and the First Supplemental Subordinate Indenture, the "Indenture"), by and between the City and the Trustee. Additionally, in connection with the issuance of the Notes, the City has entered into the Issuing and Paying Agent Agreement, dated as of November 1, 2004 with The Bank of New York Trust Company, N.A., as issuing and paying agent (the "Issuing and Paying Agent"), and the First Amendment to Issuing and Paying Agent Agreement, dated as of May 1, 2008 (together, the "Issuing and Paying Agent Agreement") with the Issuing and Paying Agent. The Subordinate Indenture has authorized the City to issue Notes in an aggregate principal amount not to exceed \$30 million. Such authorization expires on November 1, 2020, unless otherwise extended pursuant to the Subordinate Indenture (the "Program Termination Date"). Capitalized terms used but not defined herein will have the meanings set forth in the Subordinate Indenture, the Reimbursement Agreement (as defined herein) and the Senior Lien Contract (as defined herein).

IN LIGHT OF THE PRESENCE OF THE LETTER OF CREDIT, AS DESCRIBED HEREIN, NOT ALL RELEVANT INFORMATION WITH RESPECT TO THE SUBORDINATE INDENTURE AND THE OPERATIONS OF THE ENTERPRISE (AS HEREINAFTER DEFINED) THAT MAY BE NECESSARY TO ANALYZE ITS CURRENT FINANCIAL CONDITION IS INCLUDED IN THIS OFFERING MEMORANDUM. IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF THE NOTES, PROSPECTIVE PURCHASERS OF THE NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE BANK (AS HEREINAFTER DEFINED) AND NOT ON THE CREDIT OF THE ENTERPRISE WITH REGARDS TO THE PAYMENT OF PRINCIPAL AND INTEREST ON THE NOTES.

The information in this Offering Memorandum has been obtained from the City, the Trustee, the Issuing and Paying Agent, JPMorgan Chase Bank, National Association, formerly known as Bank One, NA (the "Bank"), and other sources believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. The references herein to the

Subordinate Indenture, the Issuing and Paying Agent Agreement, the Notes, the Letter of Credit, and the Reimbursement Agreement do not purport to be complete or definitive, do not constitute summaries thereof and are qualified in their entirety by reference to the provisions thereof. No dealer, salesman or other person has been authorized to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by the City or any other person. The information and expressions of opinion in this Offering Memorandum are subject to change without notice and neither the delivery of this Offering Memorandum nor any sale hereunder will under any circumstances create the implication that there has been no change in the matters referred to in this Offering Memorandum since the date hereof.

This Offering Memorandum is not to be construed as a contract between the City and the purchasers of the Notes. This Offering Memorandum does not constitute an offer to sell securities in any jurisdiction to any person to whom it is unlawful to make such offers. Prospective purchasers of the Notes are expected to conduct their own review and analysis before making an investment decision.

THE NOTES

Authorization and Purpose

The Notes are being issued by the City pursuant to the Charter and the Subordinate Indenture and are payable from draws on the Letter of Credit, proceeds of the Notes, and to the extent draws on the Letter of Credit are not honored, a pledge of Subordinate Net Revenues (as defined herein). The Notes are being issued to: (a) pay costs associated with ongoing capital maintenance and rehabilitation to the Long Beach Airport (the "Airport"), or any other project costs authorized under any supplement to the Subordinate Indenture, (b) pay all or a portion of the principal of and interest on the Notes when due, (c) reimburse the Bank for any authorized draws under the Letter of Credit, and (d) finance a portion of the costs of issuance.

The Notes are special limited obligations of the City payable solely from and secured by a draws on the Letter of Credit, proceeds of the Notes, and to the extent draws on the Letter of Credit are not honored, from Subordinate Net Revenues derived by the City from the operations of the Enterprise (as defined herein). None of the properties of the Enterprise are subject to any mortgage or other lien for the benefit of the owners of the Notes, and neither the full faith and credit nor the taxing power of the City, the State of California (the "State") or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on the Notes. Neither the Notes nor the obligation to pay principal of or interest thereon constitutes a debt of the City, the State or any of its political subdivisions within the meaning of any Constitutional limitation on indebtedness.

Description of Notes

The Notes are to be dated the date of their respective authentication and issuance, are to be issued in book-entry form only, in denominations of \$100,000 and in integral multiples of \$1,000 in excess of \$100,000, and are each to bear interest at a separately stated interest rate per annum not to exceed the maximum interest rate or yield per annum allowed for the Notes under the Subordinate Indenture. Pursuant to the First Supplemental Subordinate Indenture, the interest rate on the Notes may not exceed the lesser of (a) 12% per annum and (b) the maximum rate of interest permitted by applicable law (the "Maximum Interest Rate").

The Notes will be issued as fully registered notes and registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York.

Beneficial ownership interests in the Notes will be available in book-entry form only, and purchasers of the Notes will not receive certificates representing their interests in the Notes purchased. While held in book-entry-only form, all payments of principal of and interest on the Notes will be made by wire transfer to DTC or its nominee as the sole registered owner of the Notes. Payments to the beneficial owners are the responsibility of DTC and its participants.

Except as provided in the following paragraph with regards to Series C Notes, the Notes (a) will bear interest payable at maturity at an annual rate (calculated on the basis of a year consisting of 365/366 days and actual number of days elapsed), (b) will mature and become due and payable on such dates as the Designated Representative will determine at the time of sale but in any event not more than 270 days after their respective dates of sale or later than the Termination Date (which is the earlier of (i) the Program Termination Date or (ii) five (5) days prior to the expiration date of the Letter of Credit), (c) will be sold at a price of not less than 100% of the principal amount thereof and (d) will mature on a Business Day.

Notwithstanding the provisions of the prior paragraph, the Series C Notes may be issued and sold at a price less than the principal amount thereof, as determined by the Designated Representative at the time any Series C Notes are issued, and interest, if any, payable on Series C Notes will accrue from their respective dates of sale, and be payable at maturity, and will be calculated on the basis of a 360-day year and actual number of days elapsed.

A Note will cease to accrue interest, if any, on its respective Maturity Date. Payments of principal of and interest on maturing Notes will be made by the Issuing and Paying Agent directly to DTC. See “—Book-Entry-Only System” below.

Book-Entry-Only System

Introduction. Unless otherwise noted, the information contained under the subcaption “—General” below has been provided by DTC. The City does not make any representation as to the accuracy or the completeness of such information. The Beneficial Owners of the Notes should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NONE OF THE CITY, THE TRUSTEE OR THE ISSUING AND PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF NOTES UNDER THE SUBORDINATE INDENTURE, (C) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE OWNER OF THE NOTES; (D) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF NOTES; OR (E) ANY OTHER MATTER REGARDING DTC.

General. The Notes will be delivered in book-entry only form. DTC will act as securities depository for the Notes. The Notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. Fully registered Master Note Certificates will be issued for the Notes in the aggregate principal amount not to exceed \$30,000,000, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a

member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Commercial Paper Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Notes documents. For example, Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Issuing and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuing and Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, purchase price, premium and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City or the Issuing and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Notes are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Notes will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

SOURCES OF PAYMENT AND SECURITY FOR THE NOTES

Pledge of Subordinate Net Revenues

The Notes are special limited obligations of the City payable solely from and secured by draws on the Letter of Credit, proceeds of the Notes, and to the extent draws on the Letter of Credit are not honored, a pledge of Subordinate Net Revenues. Subordinate Net Revenues are defined in the Master Subordinate Indenture to mean, for any period, an amount equal to all of the Revenues (as defined herein) received during such period, less, the amount required to pay all Maintenance and Operation Costs (as defined herein) becoming payable during such period, less, for such period, all amounts which are required to be used to make the payments and deposits as described in the Installment Purchase Contract, dated as of July 1, 1993 (the "Senior Lien Contract"), by and between the City and Long Beach Capital Improvement Corporation (the "Corporation"), provided that the deposits to be made under the Senior Lien Contract include amounts to be deposited with respect to the 1993 Installment Payments (as defined herein) and all additional Contracts (as defined herein).

"Revenues" is defined as all gross income and revenue received or receivable by the City from the ownership or operation of the Enterprise, determined in accordance with generally accepted

accounting principles, including all rates and charges received by the City for or on behalf of the Enterprise and for the other services of the Enterprise and all proceeds of insurance covering business interruption loss relating to the Enterprise and all other income and revenue howsoever derived by the City from the ownership or operation of the Enterprise or arising from the Enterprise, including, without limitation, all facility charges levied by or on behalf of the Enterprise, but excluding contributions from the Federal Aviation Administration on eligible Airport projects and similar grants, refundable deposits made to establish credit and advances or contributions in aid of construction and line extension fees.

“Enterprise” is defined as the Airport and all operations of the Airport, including all of its revenue-producing functions, facilities and properties, whether or not directly related to the air transportation of people and goods.

“Maintenance and Operation Costs” is defined as the reasonable and necessary costs paid or incurred by the City for maintaining and operating the Enterprise, determined in accordance with generally accepted accounting principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Enterprise in good repair and working order, and including all administrative costs of the City that are charged directly or apportioned to the operation of the Enterprise, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, assessments for public improvements and including all other reasonable and necessary costs of the City or charges required to be paid by the City in order to comply with the terms of the Senior Lien Contract and the Subordinate Indenture; but excluding in all cases payments in lieu of taxes to be paid by the Enterprise to the City, depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles; provided, however, that “Maintenance and Operation Costs” do not include debt service on any other indebtedness of the Enterprise, or any capital improvements or expenditures with respect to the Enterprise which are able to be capitalized.

“Contracts” is defined as all contracts of the City authorized and executed by the City with respect to the Enterprise under and pursuant to applicable law, the installment payments under which are on parity with the 1993 Installment Payments.

Under the Master Subordinate Indenture, the City has pledged, placed a charge upon and assigned all Subordinate Net Revenues to secure the payment of all principal, premium, if any, and interest on the Notes and all other subordinate obligations issued pursuant to the Master Subordinate Indenture (“Subordinate Obligations”), without priority or distinction of one over the other, subject only to the provisions of the Master Subordinate Indenture permitting the application thereof for the purpose and on the terms and conditions provided therein. The Notes constitute Subordinate Obligations under the Master Subordinate Indenture. The City has not previously issued any Subordinate Obligations under the Master Subordinate Indenture.

On each Maturity Date, principal and interest on the maturing Notes will be paid solely from the following sources in the priority listed: (a) first, from amounts paid to the Issuing and Paying Agent under the Letter of Credit; (b) second, from the proceeds of Notes; and (c) third, from Subordinate Net Revenues.

The Notes are special limited obligations of the City payable from draws on the Letter of Credit, proceeds of the Notes, and to the extent draws on the Letter of Credit are not honored, Subordinate Net Revenues derived by the City from the operations of the Enterprise. None of the properties of the Enterprise are subject to any mortgage or other lien for the benefit of the owners of the Notes, and neither the full faith and credit nor the taxing power of the City, the State or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on the Notes. Neither the Notes nor the obligation to pay principal of or interest thereon constitutes

a debt of the City, the State or any of its political subdivisions within the meaning of any Constitutional limitation on indebtedness.

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF THE NOTES, PROSPECTIVE PURCHASERS OF THE NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE BANK AND NOT ON THE CREDIT OF THE CITY WITH REGARDS TO THE PAYMENT OF PRINCIPAL AND INTEREST ON THE NOTES.

Letter of Credit

At the time of issuance and sale of the Notes, from time to time, a letter of credit is required to be in effect with a stated amount at least equal to the principal and interest due on such Notes at maturity.

The City has caused to be delivered to the Issuing and Paying Agent an irrevocable letter of credit, dated November 4, 2004, issued by the Bank (the "Letter of Credit"). The Issuing and Paying Agent is entitled to draw under the Letter of Credit to pay the principal of and interest on the Notes at maturity. The Letter of Credit expires on May [20], 2011 unless earlier terminated or extended in accordance with its terms. The City may obtain a substitute letter of credit ("Substitute Letter of Credit") to replace the Letter of Credit so long as the Substitute Letter of Credit goes into effect at least one Business Day prior to the termination of the Letter of Credit. Additionally, the expiration date with respect to such Substitute Letter of Credit will be no earlier than the earlier of (i) one year after its date or (ii) the expiration date set forth in the Letter of Credit. The Substitute Letter of Credit will have a Stated Amount (as such term is used in the original Letter of Credit) at least as great as the Letter of Credit. The City will deliver written notice of the proposed substitution to the Trustee, the Issuing and Paying Agent, the Bank, the Holders of the Notes and the Dealer not less than thirty (30) days prior to the substitution date. Additionally, written evidence from each Rating Agency then maintaining a rating on the Notes, will be delivered to the City, the Trustee and the Issuing and Paying Agent, that the substitution of the Letter of Credit will not result in any rating then assigned to the Notes being reduced or withdrawn. See also "LETTER OF CREDIT" and "THE BANK."

Issuance of Additional Subordinate Obligations

Subject to the terms of the Master Subordinate Indenture (including, but not limited, to the additional bonds test), the City may issue additional Subordinate Obligations, including commercial paper notes, payable from Subordinate Net Revenues on parity with the Notes.

Senior Lien Obligations

Pursuant to the Trust Agreement, dated as of July 1, 1993, by and between the City and the Corporation (the "Senior Lien Trust Agreement"), the City of Long Beach Certificates of Participation (1993 Airport Refunding Project) were executed and delivered in the aggregate principal amount of \$16,815,000 (the "1993 Certificates"), which as of February 1, 2008 were outstanding in the aggregate principal amount of \$9,252,379. The 1993 Certificates evidence and represent proportionate, undivided interests of the owners thereof in installment payments (the "1993 Installment Payments") to be made by the City to the Corporation pursuant to the Senior Lien Contract.

The 1993 Installment Payments and any other Contracts authorized and executed by the City pursuant to the terms of the Senior Lien Contract (collectively, the "Senior Lien Obligations") are payable solely from and secure by a pledge of Net Revenues. The Senior Lien Contract defines "Net Revenues" as, for any Fiscal Year, the Revenues during such Fiscal Year less the Maintenance and Operation Costs during such Fiscal Year. The City's obligations to repay the Senior Lien Obligations from Net Revenues

has priority over its obligation to repay the Notes and any Subordinate Obligations issued under the Master Subordinate Indenture.

THE LETTER OF CREDIT

The Notes are each payable from and secured by the Letter of Credit. The City and the Bank have entered into a Reimbursement Agreement, dated as of November 1, 2004, as amended (the "Reimbursement Agreement"). Pursuant to the terms of the Reimbursement Agreement, the Bank issued the Letter of Credit for the Notes which secures the timely payment of the principal of and interest on the Notes issued, from time to time, by the City. Pursuant to the terms of the Letter of Credit, the Bank agrees to honor draws thereunder, if made in strict conformity with the terms of the Letter of Credit.

In accordance with the Reimbursement Agreement, the Bank issued the Letter of Credit for the Notes in the original maximum stated amount of \$32,700,000. Pursuant to the First Supplemental Subordinate Indenture and the Issuing and Paying Agent Agreement, the Issuing and Paying Agent may not issue Notes if the issuance of such Notes would result in the outstanding principal amount of Notes together with any interest due thereon at maturity to be in excess of the amount available under the Letter of Credit immediately after the issuance of such Notes and taking into account any increase in the Letter of Credit provided in the Reimbursement Agreement. Pursuant to the Second Supplemental Subordinate Indenture and the Issuing and Paying Agent Agreement, the Issuing and Paying Agent may not issue Notes if the issuance of such Notes would result in the outstanding principal amount of such Notes exceeding \$30 million.

Upon the occurrence of certain events specified in the Reimbursement Agreement, the Bank may terminate the right of the City to issue Notes. Any such termination, however, would not affect the obligation of the Bank under the Letter of Credit to honor demands for payment by the Trustee with respect to outstanding Notes.

The Letter of Credit expires on May [20], 2011, but can be extended for one or more years thereafter on the request of the City and with the approval of the Bank. Pursuant to the First Supplemental Subordinate Indenture, the City is required to give written notice of the substitution of such Letter of Credit at least thirty (30) days prior to the substitution date to the Trustee, the Issuing and Paying Agent, the Bank, the Dealer and the Holders of the Notes.

THE BANK

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF THE NOTES, PROSPECTIVE PURCHASERS OF THE NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE BANK AND NOT ON THE CREDIT OF THE CITY WITH REGARDS TO THE PAYMENT OF PRINCIPAL AND INTEREST ON THE NOTES. The following information relates to and has been furnished by the Bank for inclusion herein. No other party has independently verified or assumes any responsibility for such information, and each of the City and the Dealer cannot and do not make any representation as to the accuracy or completeness of such information or the absence of material adverse changes in such information subsequent to the date hereof. The delivery of this Offering Memorandum does not create any implication that there has been no change in the affairs of the Bank since the date hereof or that the information contained or referred to in this section is correct as of any time subsequent to the date hereof.

The Bank

The Bank is a wholly owned bank subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. The Bank offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of September 30, 2007, the Bank had total assets of \$1,244.0 billion, total net loans of \$456.4 billion, total deposits of \$699.0 billion, and total stockholder's equity of \$102.9 billion. These figures are extracted from the Bank's unaudited Consolidated Reports of Condition and Income as at September 30, 2007, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles, which are filed with the Federal Deposit Insurance Corporation.

Additional information, including the most recent Form 10-K for the year ended December 31, 2006, of JPMorgan Chase & Co., the 2006 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Official Statement is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017.

The information contained under this caption entitled "—The Bank" relates to and has been obtained from the Bank. The delivery of this Offering Memorandum shall not create any implication that there has been no change in the affairs of the Bank since the date of this Offering Memorandum, or that the information contained or referred to under this caption entitled "—The Bank" is correct as of any time subsequent to the date of this Offering Memorandum.

THE CITY AND THE AIRPORT

General

The City is a municipal corporation organized and existing under its Charter and the Constitution and the laws of the State of California. The Airport is operated by the City and is under the direction of the City Manager.

Existing Facilities

General. The Airport covers 1,175 acres and is strategically located halfway between the major business and tourism areas of both Orange and Los Angeles Counties. There are currently over 200 businesses located on Airport property.

Runways/Gates. The Airport maintains five asphalt runways, the longest being 10,000 feet in length. In addition to the runways, there are ten taxiways and ten aircraft loading positions for air carrier aircraft parking at the terminal ramp area. The Airport can accommodate 500 aircraft based in hangar and open tiedown facilities.

Terminal Facilities. The present terminal building (the "Terminal Building") was built in 1941, and in 1985 a new concourse with a security office, passenger screening area, baggage claim area and restrooms was constructed. The concourse leads to a pre-boarding lounge, also built in 1985. In 2002 and 2003, new security screening improvements and temporary holdroom facilities were completed at the Airport.

Parking Facilities. The Airport's four-level parking structure, able to accommodate 1,050 vehicles, was constructed in 1985. An additional 378 ground-level parking spaces are located immediately adjacent to the structure. Additionally, there are two long-term parking lots which provide 2,700 public parking spaces, a lot with 217 spaces which is used by rental car companies and a lot with 554 spaces for employee parking. There are a total of 4,899 parking spaces.

Aviation Activity

Presently, there are three (3) passenger airlines (Alaska Airlines, US Airways ("US Airways") and JetBlue Airways ("JetBlue")), and three (3) cargo airlines (Airborne/DHL, FedEx and UPS) serving the Airport. The Ordinance and an order from the United States District Court for the Central District of California requires the City to allow a minimum of forty-one (41) daily flights (one arrival and one departure for an aircraft) by scheduled air carriers (passenger and cargo operators) from the Airport. As of February 1, 2008, scheduled air carriers were operating forty-one (41) daily flights at the Airport, with JetBlue operating twenty-eight (28) of those daily flights. Commuter airlines are allocated a minimum of twenty-five (25) flights each day. Currently, there are three (3) commuter airlines (Delta Air Lines, ExpressJet Airlines ("ExpressJet") and US Airways. As of February 1, 2008, scheduled commuter carriers were operating twelve (12) daily flights at the Airport with ExpressJet operating six (6) of those daily flights.

For the year ended December 31, 2007, 1,458,128 passengers were enplaned at the Airport, an increase of 5.3% from 2006. JetBlue enplaned 1,150,723 passengers at the Airport in the year ended December 31, 2007 (approximately 79% of all enplaning passengers), while US Airways enplaned 103,405 passengers at the Airport (approximately 9% of all enplaning passengers). Additionally, 46,849 metric tons of cargo was handled at the Airport in 2007, which was an increase of 3.4% from 2006.

Rates and Fees

The Airport operates as an enterprise fund of the City. As such, it does not use any City general revenue funds or property taxes. Rather, all costs to operate the Airport must be recovered from operations at the Airport, including, rentals, concessions, and rates and fees adopted by the City Council. Operating revenues are divided into two types: negotiated revenues, which are derived from leases and commercial use permits, and resolution-based rates and fees which are adopted by the City Council.

The City Council adopted an Airport leasing policy in 1982 to serve as a guideline for negotiating leases. According to this plan, leasing practices and procedures are administered in a nondiscriminatory manner in accordance with FAA grant assurances and comply with city zoning regulations and the master land use plan for the Airport. In negotiating leases, the City maximizes revenues consistent with the application of standard real estate business practices, a fair market value return, and adherence to appropriate and available appraisal methods. Consideration is also given to the impact of aviation use restrictions.

The main objectives in determining Airport rates and fees are cost recovery and equitable cost allocation to user groups (based on use and in consideration of the market through a cost allocation process).

Land and Building Rent. Revenue is received from the lease or rental of City-owned land at the Airport. Currently, there are thirty (30) master tenants. Rental rates are negotiated based on the size and type of development, the amount of investment, the appraised value of the land, and other factors. Some lease rental adjustments are made based on CPI rates, while others are based on changes in fair market or prevailing rate of return values. Lease revenues are also received from the lease of non-aviation land to

tenants such as, the Long Beach Airport Business Park (where the Marriott Hotel is located), Kilroy Industries and Coast Storage Company. Rates vary from flat monthly lease payments to percentages of gross receipts. Additionally, the airlines pay rentals for the exclusive use of certain categories of space (including office) in the Terminal Building.

Parking Fees. Parking revenue is received from AMPCO System Parking Inc., the concessionaire, which operates the Airport parking lot on behalf of the City. The City receives 100% of gross receipts from AMPCO System Parking Inc., and pays a stipulated management fee based on staff hours at the Airport. Parking rates at the parking structure located adjacent to the Terminal Building are \$17 per day and the parking rates at the remote long-term parking lots are \$8-14 per day. Current parking rates, which took effect on June 1, 2007, are established by City Council resolution.

Concessions. The restaurant in the Terminal Building is currently operated by SSP America and the gift shop is currently operated by The Paradies Shops. Revenue received from the restaurant is a percentage of the concessionaire's sales based on type of sale (i.e., food, beverage, gift, etc.).

The City receives, from car rental companies located in the Terminal Building, 10% of the gross revenues from car rental "time and mileage" charges. The City also receives 8% of gross revenues associated with Airport use from car rental companies located "off-terminal." Revenues are also received under license agreements with taxi, limousine, shuttle and bus services, and the "courtesy phone" reservation services.

The City receives \$0.06 per gallon of aviation fuel delivered at the Airport to non-commercial operators. Currently, there are approximately seven (7) oil and gas concessionaires. Rates are established by City Council resolution.

Landing, Common Use, Gate Use and Ramp Fees. Revenues are received from Airport landing fees which are based on aircraft weight and the time of day the landing occurs. Non-commercial and government operations are exempted from payment.

Common use fees are levied on the airlines for their use, in common, of certain categories of space (such as baggage claim and baggage makeup areas) in the Terminal Building. Common use fees are levied on individual passenger airlines on a per enplaned passenger basis.

Revenues are also received from Airport gate use charges and from Airport parking ramp charges. The Airport parking ramp charge is levied on aircraft that park at the terminal parking ramp but do not use a gate for commercial enplanements or deplanements. It is also levied on aircraft that park on the ramp overnight.

Landing fees and gate use fees are calculated according to an "airport residual" ratemaking methodology. Under this methodology, all revenues generated from Airport activities, other than airline revenues, are credited against total Airport costs. Airline rates and charges (specifically, the landing fee and the gate use fee) are then calculated so as to make up the difference. Therefore, total Airport revenues equal total identified Airport costs.

Rates are established by City Council resolution for landing fees, common use fees, gate use and parking ramp charges. In 2007, the City embarked on a review of the rates and charges that it levies for the use of Airport facilities. Resulting from this review, certain categories of rates and charges (including all of the rates and charges paid by the airlines) were adjusted. The adjustments to rates and fees took effect on October 1, 2007.

Capital Improvements

The City has developed and maintains a capital improvement program (“CIP”) of capital projects and improvements to be undertaken at the Airport. The CIP is presented to the City Council on a regular basis for adoption or amendment. The current version of the CIP sets forth certain capital projects and improvements anticipated to be initiated at the Airport from October 1, 2007 through September 30, 2012 (the “2008-12 CIP”).

The total cost of the 2008-12 CIP is approximately \$136.2 million. The 2008-12 CIP includes, but is not limited to, the following projects: (a) ramp reconstruction (which includes the replacement of existing asphalt ramps with concrete ramps, the improving of drainage and fuel containment systems and the installation of in-pavement electrical connections and conditioned air sources for aircraft use, and has an approximate cost of \$31.3 million); (b) design phase of the rehabilitation of Runway 7R-25L (which includes approximately 1,100,000 square feet of pavement, improvements to the shoulder, markings, lighting, signage and drain system), and install runway caution bars (which includes installation of in-pavement runway guard lights), and has an approximate cost of \$0.6 million); (c) taxiway and other airfield pavement rehabilitation (which includes the reconstruction or overlaying of various heavily used taxiways and taxilanes, construction of a new connector taxiway to Runway 7R and paving or reconstructing Airport perimeter road and various other airfield pavements, and has an approximate cost of \$53.9 million); (d) security systems improvements (which includes upgrading of security fence and enhancing of the safety area on Runway 7L-25R, and has an approximate cost of \$0.6 million); (e) terminal area improvements (which includes emergency repairs of current aging terminal infrastructure, design of a new parking structure and design of terminal area improvements, and has an approximate cost of \$22.9 million); and (f) various other projects (which includes completing the replacement of the Airport’s noise monitoring system, terminal area way-finding signage and signals, traffic improvements, parking lot improvements, assessment and retrofitting of airfield tunnels, revising and updating the Airport’s layout plan, berm beautification and signage, development of Parcel O, development and implementation of a Neighborhood Protection Program, and has an approximate cost of \$26.9 million). The City expects to finance the projects and improvements outlined in the 2008-12 CIP with revenues of the Enterprise, federal and state grants, passenger facility charges, proceeds of the Notes and other sources of funds.

Additional Information

The descriptions of documents included herein do not purport to be comprehensive or definitive. Prospective purchasers of the Notes are referred to the Subordinate Indenture and the Issuing and Paying Agent Agreement for the complete terms thereof. During the offering period of the Notes, copies of the Subordinate Indenture may be obtained from the Dealer (as defined herein). Inquiries regarding information about the Airport and other City financial matters contained in this Offering Memorandum may be directed to the City Treasurer, at City of Long Beach, 333 West Ocean Boulevard, 6th Floor, Long Beach, California 90802, telephone: (562) 570-6845.

Other Factors

IN MAKING AN INVESTMENT DECISION REGARDING A POSSIBLE PURCHASE OF THE NOTES, PROSPECTIVE PURCHASERS OF THE NOTES SHOULD RELY SOLELY ON THE CREDIT OF THE BANK AND NOT ON THE CREDIT OF THE CITY WITH REGARDS TO THE PAYMENT OF PRINCIPAL AND INTEREST ON THE NOTES. The purchase and ownership of the Notes involve investment risk. Prospective purchasers of the Notes are urged to read this Offering Memorandum in its entirety.

TAX MATTERS

Series A Notes and Series B Notes

General. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series A Notes is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be met subsequent to the issuance of the Series A Notes. Failure to comply with such requirements could cause interest on the Series A Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series A Notes. The City has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series A Notes.

Notwithstanding Bond Counsel's opinion that interest on the Series A Notes is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of alternative minimum taxable income 75% of the excess of such corporations' adjusted current earnings over their alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series B Notes is excluded from gross income for federal income tax purposes, except for interest on any Series B Note for any period during which such Series B Note is held by a "substantial user" of the facilities financed and refinanced by the Series B Notes or a "related person" within the meaning of Section 147(a) of the Code. Bond Counsel is further of the opinion that interest on the Series B Notes is a specific preference item for purposes of the federal alternative minimum tax. The opinions described in the preceding sentences assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series B Notes. Failure to comply with such requirements could cause interest on the Series B Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series B Notes. The City has covenanted to comply with such requirements. Bond Counsel expressed no opinion regarding other federal tax consequences arising with respect to the Series B Notes.

Bond Counsel is further of the opinion that under existing laws, regulations, rulings and judicial decisions, interest on the Series A Notes and the Series B Notes is exempt from State of California personal income taxes.

The accrual or receipt of interest on the Series A Notes and the Series B Notes may otherwise affect the federal income tax liability of the owners of the Series A Notes and the Series B Notes. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series A Notes and the Series B Notes, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series A Notes and the Series B Notes.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series A Notes and the Series B Notes is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made after March 31, 2007 to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The new reporting requirement does not in and of itself affect or alter the excludability of interest on the Series A Notes and the Series B Notes from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Laws. From time to time, there are legislative proposals in the Congress and in the various legislatures of the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series A Notes and the Series B Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to securities issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series A Notes or the Series B Notes. An example of such litigation is the case of *Davis v. Kentucky Department of Revenue*, 97 S.W.3d 557 (2006), the oral argument for which was heard by the U.S. Supreme Court on November 5, 2007 with a decision expected to be rendered in the spring of 2008, challenging Kentucky's taxation of bonds issued by other states and their political subdivisions differently than it taxes bonds issued by Kentucky and its political subdivisions. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series A Notes or the Series B Notes or the market value thereof would be impacted thereby. Purchasers of the Series A Notes and the Series B Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series A Notes or the Series B Notes and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Federal Tax Matters of the Series C Notes

Holders of the Series C Notes should be aware that: (a) the discussion in this Offering Memorandum with respect to U.S. federal income tax consequences of owning the Series C Notes is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer; (b) such discussion was written in connection with the promotion or marketing (within the meaning of IRS Circular 230) of the transactions or matters addressed by such discussion; and (c) each taxpayer should seek advice based on its particular circumstances from an independent tax advisor.

General. The following is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of the Series C Notes. This discussion is based on the Code, as well as final, temporary and proposed Treasury Regulations (the "Regulations") and administrative and judicial decisions as of the date hereof, all of which are subject to change or possible differing interpretation. This summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances including certain types of investors subject to special treatment under the federal income tax laws. Moreover, except as expressly indicated, this summary addresses initial purchasers of the Series C Notes that (a) purchase at a price equal to the first price to the public at which a substantial amount of the Series C Notes is sold; and (b) hold their Series C Notes as capital assets within the meaning of Section 1221 of the Code. This summary does not

address owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Series C Notes (or foreign currency) as a hedge against currency risks or as part of a straddle with other investments or as part of a “synthetic security” or other integrated investment (including a “conversion transaction”) comprised of a Series C Note and one or more other investments, or purchasers that have a “functional currency” other than the U.S. dollar. Except to the extent discussed below under “—Non-United States Holders,” this summary is not applicable to non-United States persons not subject to federal income tax on their worldwide income. Investors should consult their own tax advisors to determine the federal, state, local and other tax consequences of the purchase, ownership and disposition of the Series C Notes. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the “Service”) with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions. The following discussion assumes that the Series C Notes are characterized as short-term obligation under Section 1283(a) of the Code.

Persons considering the purchase of Series C Notes should consult their own tax advisors concerning the Federal income tax consequences to them in light of their particular situations as well as any consequences to them under the laws of any other taxing jurisdiction.

Payment of Interest. In general, interest paid by the City on the Series C Notes (including any acquisition discount properly allocable to certain of the Series C Notes), and received by the owners of the Series C Notes will not be excludable from the owner’s gross income for federal income tax purposes.

United States Holders.

(a) **Payments of Interest.** In general, interest on a Series C Note will be taxable to an owner who or which is (i) a citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States or any state (including the District of Columbia) or (iii) a person otherwise subject to federal income taxation on its worldwide income (a “United States holder”) as ordinary income at the time it is received or accrued, depending on the holder’s method of accounting for tax purposes. For cash basis owners, such payments will be included in income when received (or when made available for receipt, if earlier). For accrual basis owners, such payments will be included in income when all events necessary to establish the right to receive such payments have occurred.

(b) **Series C Notes Purchased with Acquisition Discount.** A Series C Note will be subject to the “acquisition discount rules.” In general, acquisition discount is the excess of the stated redemption price at maturity of a Series C Note less the holder’s basis in a Series C Note. Thus, acquisition discount generally will occur where a holder acquires a Series C Note for an amount that is less than the Series C Note’s principal amount.

In general, the owner of a Series C Note using the accrual method of accounting, and certain owners of partnerships, S corporations, trusts and other pass-through entities, will be required to include such discount in gross income as it accrues in advance of the receipt of the cash attributable to such discount income. Acquisition discount accrues on a straight line basis based on the number of days to maturity unless the United States holder elects to accrue such discount on a constant interest accrual method using daily compounding. That election is applicable only to the acquisition discount obligation with respect to which it is made and is irrevocable. A United States holder of an acquisition discount note that is not required to include acquisition discount in income currently generally may be required to defer deductions for interest on borrowings allocable to the note in an amount not exceeding the accrued acquisition discount on such note until the maturity or disposition of the note.

(c) Purchase, Sale, Exchange and Retirement of the Series C Notes. A United States holder's tax basis in a Series C Note generally will equal its cost, increased by any acquisition discount and original issue discount included in the United States holder's income with respect to the Series C Note. A United States holder generally will recognize gain or loss on the sale, exchange or retirement of a Series C Note equal to the difference between the amount realized on the sale or retirement, except to the extent attributable to accrued but unpaid stated interest, and the United States holder's tax basis in the Series C Note. Except to the extent that a United States holder of an acquisition discount note is not required to include acquisition discount in income currently, see above under "—Series C Notes Purchased with Acquisition Discount," gain or loss recognized on the sale, exchange or retirement of a Series C Note will be short-term capital gain or loss, respectively. To the extent that a United States holder of an acquisition discount note is not required to include acquisition discount in current income, gain recognized on the sale, exchange or retirement of a Series C Note will be treated as ordinary income to the extent that such gain does not exceed the amount that would have accrued as acquisition discount on such note had the accrual rules applied.

Non-United States Holders. The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of Series C Notes by a person other than a United States holder (a "non-United States holder").

An owner of a Series C Note that is a non-United States holder and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Series C Note will generally not be subject to United States income or withholding tax in respect of a payment on a Series C Note, provided such income is treated as portfolio interest. Interest will be treated as portfolio interest if (a) the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner); (b) such interest is treated as not effectively connected with the owner's United States trade or business; (c) interest payments are not made to a person within a foreign country which the Service has included on a list of countries having provisions inadequate to prevent United States tax evasion; (d) interest payable with respect to the Series C Notes is not deemed contingent interest within the meaning of the portfolio debt provision; and (e) the owner claiming the portfolio interest exemption is not deemed to be a foreign bank that acquired the Series C Notes pursuant to an extension of credit entered into in the ordinary course of its banking business.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a United States withholding tax, at the applicable rate determined by statute, will apply to interest paid and acquisition discount accruing with respect to Series C Notes owned by non-United States holders. In those instances in which payments of interest with respect to the Series C Notes continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest with respect to, or the sale or exchange of Series C Notes having acquisition discount and held by non-United States holders.

Purchasers of Series C Notes that are non-United States holders should consult their own tax advisors with respect to the possible applicability of United States withholding and other taxes upon income realized in respect of the Series C Notes.

Backup Withholding. Payments of interest (including acquisition discount) with respect to the Series C Notes may be subject to the "backup withholding tax" under Section 3406 of the Code, at the applicable rate determined by statute, if a recipient of such payments: (a) fails to furnish to the payer its taxpayer identification number; (b) furnishes an incorrect taxpayer identification number; (c) fails to report properly interest, dividends or other "reportable payments" as defined in the Code; or (d) under

certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to Series C Note owners, including payments to certain exempt recipients (such as certain exempt organizations) and to non-United States holders, provided they establish their entitlement to this exemption. Any amounts deducted and withheld from a payment to a recipient would be allowed as a credit against the federal income tax of such recipient. Owners of the Series C Notes should consult their tax advisors regarding their qualification for such exemption from withholding and the procedure for obtaining such an exemption.

State Tax Matters of the Series C Notes

Bond Counsel is of the opinion that under existing laws, regulations, rulings and judicial decisions, interest on the Series C Notes is exempt from State of California personal income taxes.

However, see “—Series A Notes and Series B Notes—Changes in Federal and State Tax Laws” above for a discussion of the *Davis v. Kentucky Department of Revenue* case regarding the challenge to Kentucky’s taxation of bonds issued by other states and their political subdivisions. It cannot be predicted how this litigation or any other particular litigation or judicial action will be resolved, or whether the Series C Notes or the market value thereof would be impacted thereby. Purchasers of the Series C Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

Bond Counsel expresses no opinion regarding any other state tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series C Notes.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA (an “ERISA Plan”) and persons who, with respect to that plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of a Series C Note, could be viewed as violating those prohibitions. In addition, Code Section 4975 prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons and Code Section 503 includes similar restrictions with respect to governmental and church plans. In this regard, the City or any Dealer of the Series C Notes, might be considered or might become a “party in interest” within the meaning of ERISA or a “disqualified person” within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Code Sections 4975 or 503. Prohibited transactions within the meaning of ERISA and the Code may arise if Series C Notes are acquired by such plans or arrangements with respect to which the City or any Dealer is a party in interest or disqualified person. In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above Code Sections, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Series C Notes.

THE DEALER

The City has initially designated Lehman Brothers Inc. as the dealer with respect to the offering and sale of the Notes (the "Dealer"). Under the Commercial Paper Dealer Agreement, dated as of November 1, 2004, by and between the City and the Dealer, the Dealer has no commitment to purchase any of the Notes, but is obligated only to use its best efforts as agent of the City to solicit and arrange sales of the Notes on behalf of the City.

LEGAL MATTERS

A form of the opinion to be delivered by Kutak Rock LLP, on or about June 3, 2008, with respect to the validity of the Notes and certain other legal matters, is set forth in Appendix A hereof.

RATINGS

Fitch Ratings ("Fitch") and Moody's Investors Service Inc. ("Moody's") have assigned short-term ratings of "F1+" and "P-1," respectively, to the Notes based on the credit support provided by the Bank pursuant to the Letter of Credit. Such ratings will expire upon the expiration of the Letter of Credit.

Such ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained only from the agencies at the following addresses: Fitch Ratings, One State Street Plaza, New York New York 10004; and Moody's Investors Service Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. The City furnished to such rating agencies certain information and materials regarding the Notes and the City. In addition, the Bank furnished certain information to such rating agencies regarding itself and the Letter of Credit. Generally, rating agencies base their ratings on the information and materials furnished to them and on their own investigations, studies and assumptions. There is no assurance such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such change in or withdrawal of such ratings could have an adverse effect on the market price of the Notes. The City undertakes no responsibility to oppose any such change or withdrawal. The above ratings are not recommendations to buy, sell or hold the Notes, and such ratings may be subject to revision or withdrawal at any time by the rating agencies.

NO CONTINUING DISCLOSURE

The Notes are exempt from the rules of the Securities and Exchange Commission relating to continuing disclosure of annual financial information and certain material events.

INDEPENDENT AUDITORS

The financial statements of the Airport Enterprise Fund as of and for the years ended September 30, 2006 and 2005, included as "APPENDIX B" of this Offering Memorandum have been audited by KPMG LLP, independent certified public accountants, and by the City Auditor whose report with respect thereto also appears in "APPENDIX B" hereto. The City has not requested nor did the City obtain permission from KPMG LLP to include the audited financial statements as an appendix to this Offering Memorandum. In addition, KPMG LLP has not performed any post-audit review of the financial condition or operations of the Enterprise and has not reviewed this Offering Memorandum.

ADDITIONAL INFORMATION AND DOCUMENTS INCORPORATED BY REFERENCE

Information herein concerning the City and the Enterprise is limited. No attempt is made herein to summarize the Senior Lien Contract, the Master Subordinate Indenture, the First Supplemental Subordinate Indenture, the Second Supplemental Subordinate Indenture, the Letter of Credit, the Reimbursement Agreement or the Issuing and Paying Agent Agreement. Copies of the financial statements of the Enterprise, the Senior Lien Contract, the Master Subordinate Indenture, the First Supplemental Subordinate Indenture, the Second Supplemental Subordinate Indenture, the Letter of Credit, the Reimbursement Agreement and the Issuing and Paying Agent Agreement may be obtained from the Dealer at Lehman Brothers Inc., 745 Seventh Avenue, 7th Floor, New York, New York, 10019, Attention: Municipal Money Market Group (telephone number: (212) 528-1011, facsimile number: (212) 652-0575). Copies may also be obtained from, and other inquiries may be made to, the City at the following address: City of Long Beach, 333 West Ocean Boulevard, 6th Floor, Long Beach, California, 90802, Attention: City Treasurer (telephone number: (562) 570-6845, facsimile number: (562)570-5260). The information and opinions herein and in such financial statements are subject to change without notice, and neither the delivery thereof nor the delivery of this Offering Memorandum will, under any circumstances, create any implication that there has been no change in the affairs of the City, the Enterprise, or other matters described therein or herein.

This Offering Memorandum is submitted in connection with the issuance and sale of the Notes and may not be reproduced or used, in whole or in part, for any other purpose. No dealer or other person has been authorized by the City to give any information or to make any representations other than those contained in this Offering Memorandum, and if given or made, such other information or representations must not be relied upon as having been authorized by the City.

Any statements in this Offering Memorandum involving matters of opinion, projections or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. The agreements of the City are fully set forth in the Senior Lien Contract, the Master Subordinate Indenture, the First Supplemental Subordinate Indenture, the Reimbursement Agreement or the Issuing and Paying Agent Agreement. Neither any advertisement of the Notes nor this Offering Memorandum is to be construed as constituting a contract or agreement between the City and the purchasers or owners of the Notes.

This Offering Memorandum has been duly authorized and approved and prepared by the City. The Dealer assumes no responsibility for the accuracy or completeness hereof.

APPENDIX A
PROPOSED FORM OF BOND COUNSEL OPINION

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE
AIRPORT ENTERPRISE FUND FOR THE
YEARS ENDED SEPTEMBER 30, 2006 AND 2005**

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

CLOSING MEMORANDUM

The **CLOSING** for the above referenced Commercial Paper Notes was held on June 3, 2008 at the offices of Kutak Rock LLP, 1801 California Street, Suite 3100, Denver, Colorado 80202. The Closing consisted of a document closing only.

The parties indicated below delivered five (5) copies of each of the documents described below to the Closing, executed, where appropriate in advance of delivery by the respective parties thereto. At the Closing, the parties confirmed that all documents and papers were on hand, in proper form and number, and properly executed.

Parties

JPMorgan Chase Bank, National Association (formerly known as Bank One, NA), as provider of the Letter of Credit	(“JPMorgan”)
Chapman and Cutler LLP, as Counsel to JPMorgan	(“Chapman”)
City of Long Beach	(“City”)
Fitch Ratings and Moody’s Investors Service Inc.	(“Rating Agencies”)
Heather Mahood, Esq., Assistant City Attorney	(“City Attorney”)
In-House Counsel to JPMorgan (Senior Counsel of J.P. Morgan Chase & Co.)	(“JPMorgan In-House Counsel”)
Kutak Rock LLP, as Bond Counsel	(“Kutak”)
Lehman Brothers Inc., as Dealer	(“Lehman Brothers”)
Public Financial Management Inc., as Financial Advisor	(“PFM”)
The Bank of New York Trust Company, National Association, as Trustee and Issuing and Paying Agent	(“BNY”)
Davis Wright Tremaine LLP, as BNY’s Counsel	(“DWT”)

INDEX

	RESPONSIBLE PARTY	SIGNATORIES
I. FINANCING AND CLOSING DOCUMENTS FOR COMMERCIAL PAPER PROGRAM		
1. Certified Copies of Resolution No. C-28391 of the City Council of the City of Long Beach, adopted by the City Council on June 22, 2004, Resolution No. C-28468 of the City Council of the City of Long Beach, adopted by the City Council on October 19, 2004 and Resolution No. [REDACTED] of the City Council of the City of Long Beach, adopted by the City Council on May20, 2008	Kutak/City	City
2. Certified Copies of the Master Subordinate Trust Indenture, dated as of November 1, 2004, the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004, and the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008, all of which are by and between the City of Long Beach and The Bank of New York Trust Company, National Association, as trustee	Kutak	City/BNY
3. Certified Copies of the Issuing and Paying Agent Agreement, dated as of November 1, 2004 and the First Amendment to Issuing and Paying Agent Agreement, dated as of May 1, 2008, both by and between the City of Long Beach and The Bank of New York Trust Company, National Association, as issuing and paying agent	Kutak	City/BNY
4. Certified Copies of the Commercial Paper Dealer Agreement, dated as of November 1, 2004 and the First Amendment to Commercial Paper Dealer Agreement, dated as of May 1, 2008, both by and between the City of Long Beach and Lehman Brothers Inc., as dealer	Kutak	City/Lehman Brothers

		RESPONSIBLE PARTY	SIGNATORIES
5.	Certified Copies of the Tax Compliance Certificate, dated November 4, 2004 and the Third Amendment to Tax Compliance Certificate, dated June 3, 2008, both by the City of Long Beach	Kutak	City/PFM
6.	(A) Letter of Representations from the City to The Depository Trust Company (Series A (Non-AMT))	Kutak	City/BNY
	(B) Letter of Representations from the City to The Depository Trust Company (Series B (AMT))		
	(C) Letter of Representations from the City to The Depository Trust Company (Series C (Taxable))		
7.	(A) Specimen Form of Series A / Series B Commercial Paper Notes	Kutak	—
	(B) Specimen Form of Series C Commercial Paper Notes		
	(C) Specimen Form of Series A Commercial Paper Master Note		
	(D) Specimen Form of Series B Commercial Paper Master Note		
	(E) Specimen Form of Series C Commercial Paper Master Note		
8.	Certificate of City Clerk as to the City Charter and Other Matters	Kutak	City
9.	Incumbency Certificate of the City of Long Beach	Kutak	City
10.	Designated Representative Certificate of the City of Long Beach	Kutak	City
11.	Signature Certificate of the City of Long Beach	Kutak	City

		RESPONSIBLE PARTY	SIGNATORIES
12.	Certificate Required By Section 2.09 of the Master Subordinate Trust Indenture	Kutak	City
13.	Closing Certificate of the City of Long Beach	Kutak	City
14.	Report of Proposed Debt Issuance filed with the California Debt and Investment Advisory Commission with acknowledgement thereto	Kutak	—
II. BANK DOCUMENTS			
15.	Reimbursement Agreement, dated as of November 1, 2004, First Amendment to Reimbursement Agreement, dated October 19, 2007 and Second Amendment to Reimbursement Agreement, dated June 3, 2008, all by and between the City of Long Beach and JPMorgan Chase Bank, National Association (formerly known as Bank One, NA)	Chapman	City/JPMorgan
16.	Irrevocable Letter of Credit, No. 410728, dated November 4, 2008, and the Amendment to Letter of Credit, No. 410728, dated June 3, 2008	Chapman	JPMorgan
17.	Bank Note, by the City of Long Beach, dated June 3, 2008	Chapman	City
18.	Certificate of JPMorgan Chase Bank, National Association	Chapman	JPMorgan
III. DOCUMENTS DELIVERED BY TRUSTEE AND ISSUING AND PAYING AGENT			
19.	Certificate of The Bank of New York Trust Company, National Association	Kutak	BNY
20.	Incumbency Certificate and Bylaws of The Bank of New York Trust Company, National Association	BNY	BNY
21.	Receipt of Irrevocable Letter of Credit, No. 410728	Kutak	BNY

	RESPONSIBLE PARTY	SIGNATORIES
IV. OPINIONS		
22. Final Opinion of Bond Counsel	Kutak	Kutak
23. Reliance Letters	Kutak	Kutak
24. Supplemental Opinion of Bond Counsel	Kutak	Kutak
25. Opinion of City Attorney	City Attorney	City Attorney
26. Opinion of Trustee/Issuing and Paying Agent's Counsel	DWT	DWT
27. Opinion of Senior Counsel of J.P. Morgan Chase & Co. (In House Counsel to JPMorgan Chase Bank, National Association)	JPMorgan In-House Counsel	JPMorgan In-House Counsel
28. Opinion of Chapman and Cutler LLP	Chapman	Chapman
V. MISCELLANEOUS		
29. Ratings Letters	PFM	Rating Agencies
30. Closing Memorandum	Kutak	—

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

CERTIFICATE OF THE CITY CLERK OF
THE CITY OF LONG BEACH
REGARDING RESOLUTION NOS. C-28391, C-28468 AND [C-]

I, Larry Herrera, City Clerk of the City of Long Beach (the "City"), do hereby certify as follows:

(a) Attached hereto as Exhibit A is a true and correct copy of the City's Resolution No. C-28391 entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING CITY AND AIRPORT STAFF TO PROCEED WITH DOCUMENT PREPARATION FOR THE ESTABLISHMENT OF A MAINTENANCE COMMERCIAL PAPER PROGRAM FOR THE AIRPORT ENTERPRISE FUND NOT TO EXCEED AN AGGREGATE PRINCIPAL AMOUNT OF \$20 MILLION, THE SELECTION OF ONE OR MORE BANKS TO PROVIDE ONE OR MORE CREDIT FACILITIES FOR THE COMMERCIAL PAPER PROGRAM, THE NEGOTIATION OF A REIMBURSEMENT AGREEMENT OR OTHER AGREEMENT WITH SUCH BANK, THE APPOINTMENT OF ONE OR MORE COMMERCIAL PAPER DEALERS, THE APPOINTMENT OF A TRUSTEE AND AN ISSUING AND PAYING AGENT AND AUTHORIZING THE PUBLICATION OF A NOTICE REGARDING A PUBLIC HEARING CONCERNING THE ISSUANCE OF AIRPORT REVENUE COMMERCIAL PAPER NOTES PURSUANT TO PLANS OF FINANCING FOR CERTAIN AIRPORT MAINTENANCE PROJECTS AND APPROVING AND AUTHORIZING RELATED DOCUMENTS, OFFICIAL ACTIONS AND MATTERS" adopted by the City Council on June 22, 2004. Such Resolution No. C-28391 was duly adopted by the affirmative vote of a majority of the members of the City Council of the City present at such meeting held on June 22, 2004, which was duly called and convened in accordance with the laws of the State of California. Such Resolution No. C-28391 has not been modified, amended or repealed and is in full force and effect on and of the date hereof.

(b) Attached hereto as Exhibit B is a true and correct copy of the City's Resolution No. C-28468 entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LONG BEACH, CALIFORNIA SUBORDINATE AIRPORT REVENUE COMMERCIAL PAPER NOTES, SERIES A (NON-AMT), SERIES B (AMT) AND SERIES C (TAXABLE) FROM TIME TO TIME IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000; APPROVING A MASTER SUBORDINATE TRUST INDENTURE; A FIRST SUPPLEMENTAL SUBORDINATE TRUST INDENTURE, AN ISSUING AND PAYING AGENT AGREEMENT, A REIMBURSEMENT AGREEMENT, A BANK NOTE, A COMMERCIAL PAPER DEALER AGREEMENT, AN OFFERING MEMORANDUM AND RELATED DOCUMENTS, AUTHORIZING AND DIRECTING EXECUTION THEREOF AND AUTHORIZING ACTIONS RELATED THERETO" adopted by the City Council on

October 19, 2004. Such Resolution No. C-28468 was duly adopted by the affirmative vote of a majority of the members of the City Council of the City present at such meeting held on October 19, 2004, which was duly called and convened in accordance with the laws of the State of California. Such Resolution No. C-28468 has not been modified, amended or repealed and is in full force and effect on and of the date hereof.

(c) Attached hereto as Exhibit C is a true and correct copy of the City's Resolution No. [C-] entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE EXPANSION OF THE CITY'S EXISTING COMMERCIAL PAPER PROGRAM TO PERMIT THE ISSUANCE AND SALE OF THE CITY OF LONG BEACH, CALIFORNIA SUBORDINATE AIRPORT REVENUE COMMERCIAL PAPER NOTES, SERIES A (NON-AMT), SERIES B (AMT) AND SERIES C (TAXABLE) FROM TIME TO TIME IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000; TO AUTHORIZE THE EXPENDITURE OF NOTE PROCEEDS ON THE DESIGN OF VARIOUS TERMINAL IMPROVEMENTS AND A MULTILEVEL PUBLIC PARKING STRUCTURE AT THE LONG BEACH AIRPORT; AND APPROVING A SECOND SUPPLEMENTAL SUBORDINATE TRUST INDENTURE, A FIRST AMENDMENT TO ISSUING AND PAYING AGENT AGREEMENT, A SECOND AMENDMENT TO REIMBURSEMENT AGREEMENT, A BANK NOTE, A FIRST AMENDMENT TO COMMERCIAL PAPER DEALER AGREEMENT, AN OFFERING MEMORANDUM AND RELATED DOCUMENTS, AUTHORIZING AND DIRECTING EXECUTION THEREOF AND AUTHORIZING ACTIONS RELATED THERETO" adopted by the City Council on May 20, 2008. Such Resolution No. [C-] was duly adopted by the affirmative vote of a majority of the members of the City Council of the City present at such meeting held on May 20, 2008, which was duly called and convened in accordance with the laws of the State of California. Such Resolution No. [C-] has not been modified, amended or repealed and is in full force and effect on and of the date hereof.

[End of Certificate of the City
Clerk of the City of Long Beach
Regarding Resolution Nos. C-28391, C-28468 and [C-]]

IN WITNESS WHEREOF, I have hereunto signed and executed this Certificate this 3rd day of June, 2008.

CITY OF LONG BEACH

By _____
Larry Herrera, City Clerk

[Signature page to Certificate of the City
Clerk of the City of Long Beach
Regarding Resolution Nos. C-28391, C-28468 and [C-]]

EXHIBIT A
(Resolution No. C-28391)

EXHIBIT B
(Resolution No. C-28468)

EXHIBIT C

(Resolution No. [C-111])

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

**CERTIFIED COPY OF THE MASTER SUBORDINATE TRUST INDENTURE,
FIRST SUPPLEMENTAL SUBORDINATE TRUST INDENTURE AND
SECOND SUPPLEMENTAL SUBORDINATE TRUST INDENTURE**

I, Larry Herrera, City Clerk of the City of Long Beach (the "City"), do hereby certify as follows:

(a) Attached hereto as Exhibit A is a true, correct and complete copy of the Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture"), by and between the City and The Bank of New York Trust Company, National Association, as trustee (the "Trustee").

(b) That the Master Subordinate Indenture has been duly and fully executed, has not been amended, supplemented, modified or limited (except as provided below) and is in full force and effect on the date hereof.

(c) That the Master Subordinate Indenture has been amended or supplemented by the following Supplements:

(i) First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture"), by and between the City and the Trustee; and

(ii) Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 (the "Second Supplemental Subordinate Indenture"), by and between the City and the Trustee.

(d) Attached hereto as Exhibit B and Exhibit C are true, correct and complete copies of the First Supplemental Subordinate Indenture and the Second Supplemental Subordinate Indenture, respectively. The First Supplemental Subordinate Indenture and the Second Supplemental Subordinate Indenture have been duly and fully executed, have not been amended, supplemented, modified or limited and are in full force and effect on the date hereof.

[End of Certified Copy of the Master Subordinate Trust Indenture,
First Supplemental Subordinate Trust Indenture and
Second Supplemental Subordinate Trust Indenture]

IN WITNESS WHEREOF, I have hereunto signed and executed this Certificate this 3rd day of June, 2008.

CITY OF LONG BEACH

By _____
Larry Herrera, City Clerk

[Signature page to Certified Copy of the Master Subordinate Trust Indenture,
First Supplemental Subordinate Trust Indenture and
Second Supplemental Subordinate Trust Indenture]

EXHIBIT A
(Master Subordinate Trust Indenture)

EXHIBIT B

(First Supplemental Subordinate Trust Indenture)

EXHIBIT C

(Second Supplemental Subordinate Trust Indenture)

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

CERTIFICATE REGARDING THE
ISSUING AND PAYING AGENT AGREEMENT AND THE
FIRST AMENDMENT TO ISSUING AND PAYING AGENT AGREEMENT

I, Larry Herrera, City Clerk of the City of Long Beach (the "City"), do hereby certify as follows:

(a) Attached hereto as Exhibit A is a true, correct and complete copy of the Issuing and Paying Agent Agreement, dated as of November 1, 2004 (the "Issuing and Paying Agent Agreement"), by and between the City and The Bank of New York Trust Company, National Association, as issuing and paying agent (the "Issuing and Paying Agent"). The Issuing and Paying Agent Agreement has been duly and fully executed, has not been amended, supplemented, modified or limited (except as provided below) and is in full force and effect on the date hereof.

(b) Attached hereto as Exhibit B is a true, correct and complete copy of the First Amendment to Issuing and Paying Agent Agreement, dated as of May 1, 2008 (the "First Amendment to Issuing and Paying Agent Agreement"), by and between the City and the Issuing and Paying Agent. The First Amendment to Issuing and Paying Agent Agreement has been duly and fully executed, has not been amended, supplemented, modified or limited and is in full force and effect on the date hereof.

[End of Certificate Regarding the
Issuing and Paying Agent Agreement and the
First Amendment to Issuing and Paying Agent Agreement]

IN WITNESS WHEREOF, I have hereunto signed and executed this Certificate this 3rd day of June, 2008.

By _____
Larry Herrera, City Clerk

[Signature page to Certificate Regarding the
Issuing and Paying Agent Agreement and the
First Amendment to Issuing and Paying Agent Agreement]

EXHIBIT A
(Issuing and Paying Agent Agreement)

EXHIBIT B

(First Amendment to Issuing and Paying Agent Agreement)

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

**CERTIFICATE REGARDING THE
COMMERCIAL PAPER DEALER AGREEMENT AND THE
FIRST AMENDMENT TO COMMERCIAL PAPER DEALER AGREEMENT**

I, Larry Herrera, City Clerk of the City of Long Beach (the "City"), do hereby certify as follows:

(c) Attached hereto as Exhibit A is a true, correct and complete copy of the Commercial Paper Dealer Agreement, dated as of November 1, 2004 (the "Dealer Agreement"), by and between the City and Lehman Brothers Inc., as dealer (the "Dealer"). The Dealer Agreement has been duly and fully executed, has not been amended, supplemented, modified or limited (except as provided below) and is in full force and effect on the date hereof.

(d) Attached hereto as Exhibit B is a true, correct and complete copy of the First Amendment to Dealer Agreement, dated as of May 1, 2008 (the "First Amendment to Dealer Agreement"), by and between the City and the Dealer. The First Amendment to Dealer Agreement has been duly and fully executed, has not been amended, supplemented, modified or limited and is in full force and effect on the date hereof.

[End of Certificate Regarding the
Commercial Paper Dealer Agreement and the
First Amendment to Commercial Paper Dealer Agreement]

IN WITNESS WHEREOF, I have hereunto signed and executed this Certificate this 3rd day of June, 2008.

By _____
Larry Herrera, City Clerk

[Signature page to Certificate Regarding the
Commercial Paper Dealer Agreement and the
First Amendment to Commercial Paper Dealer Agreement]

EXHIBIT A
(Commercial Paper Dealer Agreement)

EXHIBIT B

(First Amendment to Commercial Paper Dealer Agreement)

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

**CERTIFICATE REGARDING THE
TAX COMPLIANCE CERTIFICATE AND THE
THIRD AMENDMENT TO TAX COMPLIANCE CERTIFICATE**

I, Larry Herrera, City Clerk of the City of Long Beach (the "City"), do hereby certify as follows:

(a) Attached hereto as Exhibit A is a true, correct and complete copy of the Tax Compliance Certificate, dated November 4, 2004 (the "Tax Certificate"), by the City. The Tax Certificate has been duly and fully executed, has not been amended, supplemented, modified or limited (except as provided below) and is in full force and effect on the date hereof.

(b) Attached hereto as Exhibit B is a true, correct and complete copy of the Third Amendment to Tax Certificate, dated June 3, 2008 (the "Third Amendment to Tax Certificate"), by the City. The Third Amendment to Tax Certificate has been duly and fully executed, has not been amended, supplemented, modified or limited and is in full force and effect on the date hereof.

[End of Certificate Regarding the
Tax Compliance Certificate and the
Third Amendment to Tax Compliance Certificate]

IN WITNESS WHEREOF, I have hereunto signed and executed this Certificate this 3rd day of June, 2008.

By _____
Larry Herrera, City Clerk

[Signature page to Certificate Regarding the
Tax Compliance Certificate and the
Third Amendment to Tax Compliance Certificate]

EXHIBIT A
(Tax Compliance Certificate)

EXHIBIT B

(Third Amendment to Tax Compliance Certificate)

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

**CERTIFICATE OF THE CITY CLERK AS TO
THE CITY CHARTER AND OTHER MATTERS**

I, Larry Herrera, City Clerk of the City of Long Beach, State of California (the "City"), DO HEREBY CERTIFY as follows:

1. The City exists under and by virtue of a freeholders' charter duly approved by the electors of the City and ratified by the Legislature of the State of California (the "Charter"). Since [November 5, 2002], no amendment to the Charter affecting the City's power to issue revenue bonds (or generally affecting the operation or existence of the Long Beach Airport) has been approved by the electors of the City or by the Legislature of the State of California or filed with the Secretary of State of the State of California. Attached hereto as Exhibit A is a true, complete and correct copy of the Charter, together with all amendments through the date hereof, and said Charter is in full force and effect on and as of the date hereof.

2. On May 1, 2008, and at all times subsequent thereto, the following offices of the City were and are respectively held by the following named persons, duly elected or appointed thereto, qualified therefor, and acting therein, to wit:

<u>NAME</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Bob Foster	Mayor	[]
Bonnie Lowenthal	Vice Mayor/Councilperson	[]
Suja Lowenthal	Councilperson	[]
Gary DeLong	Councilperson	[]
Patrick O'Donnell	Councilperson	[]
Gerrie Schipske	Councilperson	[]
Dee Andrews	Councilperson	[]
Tonia Reyes Uranga	Councilperson	[]
Rae Gabelich	Councilperson	[]
Val Lerch	Councilperson	[]
Larry Herrera	City Clerk	Pleasure of the Council
Patrick H. West	City Manager	Pleasure of the Council
Lori Ann Farrell	CFO/Director of Financial Management	Pleasure of the City Manager
David Nakamoto	City Treasurer	Pleasure of the City Manager
Robert E. Shannon	City Attorney	[]

3. Regular meetings of the City Council of the City are held every Tuesday at the hour of 5:00 p.m., with the exception of the last Tuesday of each month.

4. Ordinances, resolutions and notices published by the City and the Department are published in the Long Beach Press-Telegram, a newspaper of general circulation published in the City and/or are posted in three conspicuous places in the City.

5. Copies of ordinances, resolutions, minutes and agendas sent to Kutak Rock LLP, bond counsel to the City, are full, true and correct copies of original of said ordinances, resolutions, minutes and agendas and I have carefully compared the same with the originals.

[End of Certificate of the City
Clerk as to the City Charter and Other Matters]

IN WITNESS WHEREOF, I have hereunto signed and executed this Certificate this 3rd day of June, 2008.

CITY OF LONG BEACH

By _____
Larry Herrera, City Clerk

[Signature page to Certificate of the City Clerk
as to the City Charter and Other Matters]

EXHIBIT A
(City Charter)

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

**INCUMBENCY CERTIFICATE
OF THE CITY OF LONG BEACH**

I, Larry Herrera, City Clerk of the City of Long Beach (the "City"), do hereby certify that the signature set forth opposite the name and title of each of the following persons is a true and correct specimen of his genuine signature.

<u>Name and Title</u>	<u>Signature</u>
Patrick H. West, City Manager	_____
Lori Ann Farrell, CFO/Director of Financial Management	_____
David Nakamoto, City Treasurer	_____

Each of the above individuals is authorized to sign the documents executed in connection with the issuance of the above-referenced commercial paper notes to which the City is a party and the other documents delivered by the City pursuant to the Reimbursement Agreement, dated as of November 1, 2004, as amended and supplemented by the First Amendment to Reimbursement Agreement, dated October 19, 2007, and as amended and supplemented by the Second Amendment to Reimbursement Agreement, dated June 3, 2008, all by and between the City and JPMorgan Chase Bank, National Association (formerly known as Bank One, NA) and who are authorized to represent the City in connection with the Reimbursement Agreement.

[End of Incumbency Certificate
of the City of Long Beach]

IN WITNESS WHEREOF, I have hereunto signed and executed this Certificate this 3rd day of June, 2008.

CITY OF LONG BEACH

By _____
Larry Herrera, City Clerk

[Signature page to Incumbency Certificate
of the City of Long Beach]

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

DESIGNATED REPRESENTATIVE CERTIFICATE

I, Patrick H. West, do hereby certify that as of the date hereof, I am the City Manager of the City of Long Beach (the "City") duly authorized pursuant to Resolution No. [C-] (the "Resolution") adopted by the City Council of the City on May 20, 2008, and the Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture") by and between the City and The Bank of New York Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture") by and between the City and the Trustee, as amended and supplemented by the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 (the "Second Supplemental Subordinate Indenture," and together with the Master Subordinate Indenture and First Supplemental Subordinate Indenture, the "Indenture") by and between the City and the Trustee, to appoint Designated Representatives of the City in connection with the issuance, from time to time, by the City of tax-exempt and taxable commercial paper notes (the "Notes") in accordance with the Resolution and the Indenture. I hereby designate the following persons to act on my behalf as Designated Representatives in accordance with the Resolution, the Indenture, the Issuing and Paying Agent Agreement, dated as of November 1, 2004, by and between the City and The Bank of New York Trust Company, National Association, as issuing and paying agent (the "Issuing and Paying Agent"), as amended and supplemented by the First Amendment to Issuing and Paying Agent Agreement, dated as of May 1, 2008 (collectively, the "Issuing and Paying Agent Agreement") by and between the City and the Issuing and Paying Agent, and the Commercial Paper Dealer Agreement, dated as of November 1, 2004, by and between the City and Lehman Brothers Inc., as dealer (the "Dealer), as amended and supplemented by the First Amendment to Commercial Paper Dealer Agreement, dated as of May 1, 2008 (collectively, the "Dealer Agreement"), by and between the City and the Dealer, and specimen signatures of such persons are set forth beside their names.

Designated Persons

Specimen Signature

Lori Ann Farrell
CFO/Director of Financial Management

David Nakamoto,
City Treasurer

[End of Designated Representative Certificate]

IN WITNESS WHEREOF, the undersigned have signed and executed this Certificate this 3rd day of June, 2008.

CITY OF LONG BEACH

By _____
Patrick H. West, City Manager

Attest by:

Larry Herrera, City Clerk

[Signature page to Designated Representative Certificate]

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

SIGNATURE CERTIFICATE
OF THE CITY OF LONG BEACH

The undersigned, Patrick H. West and Larry Herrera, respectively the City Manager and the City Clerk of the City of Long Beach (the "City", hereby certify as follows:

1. We have duly signed by manual signature, the Master Commercial Paper Notes representing the above referenced \$30,000,000 City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series A (Non-AMT), Series B (AMT) and Series C (Taxable) (the "Master Notes").

2. At the time we signed the Master Notes, and on the date hereof, which is the date of actual delivery of said Master Notes to The Bank of New York Trust Company, National Association, pursuant to the terms and conditions of the Master Subordinate Trust Indenture, dated as of November 1, 2004, by and between the City and The Bank of New York Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004, by and between the City and the Trustee, as amended and supplemented by the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008, by and between the City and the Trustee, the Issuing and Paying Agent Agreement, dated as of November 1, 2004, by and between the City and The Bank of New York Trust Company, National Association, as issuing and paying agent (the "Issuing and Paying Agent"), as amended and supplemented by the First Amendment to Issuing and Paying Agent Agreement, dated as of May 1, 2008, by and between the City and the Issuing and Paying Agent, that we were duly qualified and acting officers of the City indicated therein and authorized to execute the same.

[End of Signature Certificate of
the City of Long Beach]

IN WITNESS WHEREOF, the undersigned have hereunto signed and executed this Certificate this 3rd day of June, 2008.

CITY OF LONG BEACH

By _____
Patrick H. West, City Manager

By _____
Larry Herrera, City Clerk

[Signature page to Signature Certificate of
the City of Long Beach]

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

CERTIFICATE REQUIRED BY SECTION 2.09
OF THE MASTER SUBORDINATE TRUST INDENTURE

I, Patrick H. West, City Manager of the City of Long Beach (the "City"), do hereby state and certify to The Bank of New York Trust Company, National Association, as trustee (the "Trustee") under the Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture"), by and between the City and the Trustee, as supplemented by the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture"), as amended and supplemented by the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 (the "Second Supplemental Subordinate Indenture," and together with the Master Subordinate Indenture and the First Supplemental Subordinate Indenture, the "Indenture"), by and between the City and the Trustee, and as issuing and paying agent (the "Issuing and Paying Agent") under the Issuing and Paying Agent Agreement, dated as of November 1, 2004, by and between the City and the Issuing and Paying Agent, as amended and supplemented by the First Amendment to the Issuing and Paying Agent Agreement, dated as of May 1, 2008 (collectively, the "Issuing and Paying Agent Agreement"), by and between the City and Issuing and Paying Agent as follows:

(a) Capitalized terms not otherwise defined herein, shall have the meanings given to such terms in the Indenture.

(b) Pursuant to the Indenture and the Issuing and Paying Agent Agreement, the Issuing and Paying Agent is hereby instructed to authenticate the Master Commercial Paper Notes for the City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series A (Non-AMT), Series B (AMT) and Series C (Taxable) (the "Master Notes"), and to hold and maintain such Master Notes as described in the Indenture and the Issuing and Paying Agent Agreement.

(c) The City reasonably expects to expend the proceeds of the Commercial Paper Notes, as described above, from time to time on one or more of those Projects listed in Exhibit A attached hereto.

(d) None of the Events of Default set forth in Section 8.01(a), (b), (c), (e), (f) and (g) of the Master Subordinate Indenture have occurred and remain uncured, none of the events of default set forth in the Senior Lien Contract have occurred and remain uncured, and the City is in full compliance with the terms of Sections 5.04 and 5.05 of the Master Subordinate Indenture and with its rate covenant set forth in Section 5.14 of the Senior Lien Contract

[End of Certificate Required by Section 2.09
of the Master Subordinate Trust Indenture]

IN WITNESS WHEREOF, the undersigned has signed and executed this Certificate this 3rd day of June, 2008.

CITY OF LONG BEACH

By _____
Patrick H. West, City Manager

[Signature page to Certificate Required by Section 2.09
of the Master Subordinate Trust Indenture]

EXHIBIT A

PROJECTS TO BE FUNDED BY THE COMMERCIAL PAPER NOTES

<u>SERIES A COMMERCIAL PAPER NOTES</u>	
None	
<u>SERIES B COMMERCIAL PAPER NOTES</u>	
(1)	Runway Rehabilitation
(a)	Complete rehabilitation of primary Runway 12-30
(b)	Rehabilitate Runway 16L-34R
(c)	Rehabilitate Runway 16R-34L
(2)	Taxiway and Airfield Pavement Rehabilitation
(a)	Rehabilitate Taxiways A, B, C, D, J and K
(b)	Construct Taxiway J3 (connecting taxiway to Runway 7R)
(c)	Reconstruct airport perimeter road and miscellaneous airfield pavement repair
(d)	Pave islands between Taxiway C and the air carrier ramp to full strength pavement
(e)	Rehabilitate and improve taxilanes in various locations
(f)	Pavement Management Survey
(3)	Security
(a)	Replace and upgrade Security Access Control System
(b)	Relocate and upgrade Security Operations Control Center
(c)	Improve and upgrade airport surveillance systems
(d)	Fire Department Quick Response and new fire engine (ARFF vehicle)
(e)	Property purchase to enhance safety areas for Runways 12-30 and 7L-25R
(4)	OTHERS
(a)	Noise monitoring
(b)	Terminal area improvements
(c)	Parking lot repairs and lighting
(d)	Airport layout plan
(e)	Wildlife mitigation activities
(5)	LONG BEACH AIRPORT TERMINAL IMPROVEMENT PROJECT
(a)	Design of parking structure and associated improvements
(b)	Design of terminal and associated improvements
<u>SERIES C COMMERCIAL PAPER NOTES</u>	
None	

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

CLOSING CERTIFICATE OF THE
CITY OF LONG BEACH

The undersigned, Patrick H. West, City Manager of the City of Long Beach (the "City") hereby certifies that as of the date hereof:

(a) Terms not otherwise defined herein shall have the meanings ascribed thereto in the Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture") by and between the City and The Bank of New York Trust Company, National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture") by and between the City and the Trustee, as amended and supplemented by the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 (the "Second Supplemental Subordinate Indenture," and together with the Master Subordinate Indenture and the First Supplemental Subordinate Indenture, the "Indenture"), by and between the City and the Trustee.

(b) No legal proceedings are pending or, to the undersigned's knowledge, threatened: (i) contesting or affecting the validity or authority for the issuance or delivery of the Commercial Paper Notes or seeking to restrain or enjoin the issuance or delivery of the Commercial Paper Notes; (ii) contesting or affecting the operation of the Enterprise or the validity of the Resolution, the Indenture, the Commercial Paper Notes, the Dealer Agreement, as amended and supplemented, the Issuing and Paying Agent Agreement, as amended and supplemented, the Reimbursement Agreement, as amended and supplemented, or the Bank Note; (iii) seeking to restrain or enjoin the collection of revenues pledged under the Indenture which, if determined adversely to the City, would have a material impact on the City's collection of the income or revenues pledged under the Indenture, or the pledge thereof; (iv) which may result, either individually or in the aggregate, in final judgments against the City or the Enterprise materially adversely affecting the financial condition of either or the Subordinate Net Revenues; or (v) contesting the power of the officials of the City or their authority with respect to the Resolution, the Indenture, the Commercial Paper Notes, the Dealer Agreement, as amended and supplemented, the Issuing and Paying Agent Agreement, as amended and supplemented, the Reimbursement Agreement, as amended and supplemented, or the Bank Note;

(c) Since May 1, 2008, there has not been any material adverse change in the status of the business, operations or conditions (financial or otherwise) of the City or the Enterprise or ability of the City to perform its obligations under the Indenture, the Issuing and Paying Agent Agreement, as amended and supplemented, the Dealer Agreement, as

amended and supplemented, the Reimbursement Agreement, as amended and supplemented, the Bank Note or the Commercial Paper Notes.

(e) The representations and warranties of the City contained in the Indenture, the Issuing and Paying Agent Agreement, as amended and supplemented, the Dealer Agreement, as amended and supplemented, the Reimbursement Agreement, as amended and supplemented, the Bank Note and the Commercial Paper Notes, and each certificate, letter or other writing or instrument delivered by the City to the Bank pursuant to the Indenture, the Issuing and Paying Agent Agreement, as amended and supplemented, the Dealer Agreement, as amended and supplemented, the Reimbursement Agreement, as amended and supplemented, or the Bank Note are true and correct on and as of the date hereof.

(d) The representations and warranties of the City contained in Article Five of the Reimbursement Agreement are true and correct on and as of the date hereof with the same force and effect as if made on and as of the date hereof;

(e) No Event of Default (as such term is defined in the Reimbursement Agreement) or Potential Default (as such term is defined in the Reimbursement Agreement) has occurred and is continuing or would result from the issuance of the Letter of Credit (as such term is defined in the Reimbursement Agreement) or the execution, delivery or performance of the Reimbursement Agreement or any Related Document (as such term is defined in the Reimbursement Agreement) to which the City is a party.

[End of Closing Certificate of
the City of Long Beach]

IN WITNESS WHEREOF, the undersigned has signed and executed this Certificate this 3rd day of June, 2008.

CITY OF LONG BEACH

By _____
Patrick H. West, City Manager

[Signature page to Closing Certificate of
the City of Long Beach]

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

CERTIFICATE OF THE BANK OF NEW YORK
TRUST COMPANY, NATIONAL ASSOCIATION

The undersigned, an authorized officer of The Bank of New York Trust Company, National Association (the "Bank"), hereby certifies as follows:

(a) The Bank is a national banking association organized and existing under the laws of the United States of America.

(b) The Bank has full power and authority under its Articles of Association and Bylaws, to perform the duties of Trustee and Issuing and Paying Agent for the above referenced City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series A (Non-AMT), Series B (AMT) and Series C (Taxable) (the "Commercial Paper Notes") in accordance with: (i) that certain Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master Subordinate Indenture") by and between the City of Long Beach (the "City") and the Bank, as trustee, as supplemented by the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004 (the "First Supplemental Subordinate Indenture") by and between the City and the Bank, as trustee, as amended and supplemented by the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008 (the "Second Supplemental Subordinate Indenture," and together with the Master Subordinate Indenture and the First Supplemental Subordinate Indenture, the "Indenture") by and between the City and the Bank, as trustee, and (ii) that certain Issuing and Paying Agent Agreement, dated as of November 1, 2004, by and between the City and the Bank, as issuing and paying agent, as amended and supplemented by the First Amendment to Issuing and Paying Agent Agreement, dated as of May 1, 2008 (collectively, the "Issuing and Paying Agent Agreement") by and between the City and the Bank, as issuing and paying agent.

(c) The Bank has duly taken all necessary corporate action to approve the Indenture and the Issuing and Paying Agent Agreement and has duly authorized, executed and delivered the Indenture and the Issuing and Paying Agent Agreement and the performance by the Bank of the duties thereunder.

(d) The Master Notes (as described in the Second Supplemental Subordinate Indenture) have been duly authenticated by the Bank, in its role as issuing and paying agent.

(e) 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 Bank (either in state or federal courts), or to the knowledge of the Bank, threatened against or affecting the Bank which would restrain or enjoin the execution or delivery of the Indenture and/or the Issuing and Paying Agent Agreement or which would affect the validity or enforceability of the Indenture and/or the Issuing and Paying Agent Agreement or the Bank's participation in, or in any way contesting the powers or the authority of the Bank with respect to, the transactions contemplated by the Indenture and the Issuing and Paying Agent Agreement, or any other agreement, document or certificate related to such transactions.

[End of Certificate of The Bank of New York
Trust Company, National Association]

IN WITNESS WHEREOF, the undersigned has signed and executed this Certificate this 3rd day of June, 2008.

THE BANK OF NEW YORK TRUST
COMPANY, NATIONAL ASSOCIATION, as
Trustee and Issuing and Paying Agent

By _____
Authorized Representative

[Signature page to Certificate of The Bank of New York
Trust Company, National Association]

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

**RECEIPT OF IRREVOCABLE
LETTER OF CREDIT NO. 410728**

The undersigned, on behalf of The Bank of New York Trust Company, National Association, as Issuing and Paying Agent for the \$30,000,000 aggregate principal amount of the City of Long Beach, California Subordinate Airport Revenue Commercial Paper Notes, Series A (Non-AMT), Series B (AMT) and Series C (Taxable) (the "Commercial Paper Notes"), hereby certifies that the Issuing and Paying Agent has received from JPMorgan Chase Bank, National Association (formerly known as Bank One, NA), on the date hereof, the Irrevocable Letter of Credit No. 410728, dated June 3, 2008, providing, pursuant to the terms and provisions of the Reimbursement Agreement, dated as of November 1, 2004, as amended and supplemented by the First Amendment to Reimbursement Agreement, dated October 19, 2007, and as amended and supplemented by the Second Amendment to Reimbursement Agreement, dated June 3, 2008, all by and between the City of Long Beach and JPMorgan Chase Bank, National Association (formerly known as Bank One, NA), credit support for the Commercial Paper Notes.

Dated: June 3, 2008

THE BANK OF NEW YORK TRUST
COMPANY, NATIONAL ASSOCIATION, as
Issuing and Paying Agent

By _____
Authorized Representative

\$30,000,000
City of Long Beach, California
Subordinate Airport Revenue Commercial Paper Notes
Series A (Non-AMT)
Series B (AMT)
Series C (Taxable)

INDEX

1. Certified Copies of Resolution No. C-28391 of the City Council of the City of Long Beach, adopted by the City Council on June 22, 2004, Resolution No. C 28468 of the City Council of the City of Long Beach, adopted by the City Council on October 19, 2004 and Resolution No. [REDACTED] of the City Council of the City of Long Beach, adopted by the City Council on May 20, 2008
2. Certified Copies of the Master Subordinate Trust Indenture, dated as of November 1, 2004, the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004, and the Second Supplemental Subordinate Trust Indenture, dated as of May 1, 2008, all of which are by and between the City of Long Beach and The Bank of New York Trust Company, National Association, as trustee
3. Certified Copies of the Issuing and Paying Agent Agreement, dated as of November 1, 2004 and the First Amendment to Issuing and Paying Agent Agreement, dated as of May 1, 2008, both by and between the City of Long Beach and The Bank of New York Trust Company, National Association, as issuing and paying agent
4. Certified Copies of the Commercial Paper Dealer Agreement, dated as of November 1, 2004 and the First Amendment to Commercial Paper Dealer Agreement, dated as of May 1, 2008, both by and between the City of Long Beach and Lehman Brothers Inc., as dealer
5. Certified Copies of the Tax Compliance Certificate, dated November 4, 2004 and the Third Amendment to Tax Compliance Certificate, dated June 3, 2008, both by the City of Long Beach
6. (A) Letter of Representations from the City to The Depository Trust Company (Series A (Non-AMT))
(B) Letter of Representations from the City to The Depository Trust Company (Series B (AMT))
(C) Letter of Representations from the City to The Depository Trust Company (Series C (Taxable))

7. (A) Specimen Form of Series A / Series B Commercial Paper Notes
- (B) Specimen Form of Series C Commercial Paper Notes
- (C) Specimen Form of Series A Commercial Paper Master Note
- (D) Specimen Form of Series B Commercial Paper Master Note
- (E) Specimen Form of Series C Commercial Paper Master Note
8. Certificate of City Clerk as to the City Charter and Other Matters
9. Incumbency Certificate of the City of Long Beach
10. Designated Representative Certificate of the City of Long Beach
11. Signature Certificate of the City of Long Beach
12. Certificate Required By Section 2.09 of the Master Subordinate Trust Indenture
13. Closing Certificate of the City of Long Beach
14. Report of Proposed Debt Issuance filed with the California Debt and Investment Advisory Commission with acknowledgement thereto
15. Reimbursement Agreement, dated as of November 1, 2004, First Amendment to Reimbursement Agreement, dated October 19, 2007 and Second Amendment to Reimbursement Agreement, dated June 3, 2008, all by and between the City of Long Beach and JPMorgan Chase Bank, National Association (formerly known as Bank One, NA)
16. Irrevocable Letter of Credit, No. 410728, dated November 4, 2008, and the Amendment to Letter of Credit, No. 410728, dated June 3, 2008
17. Bank Note, by the City of Long Beach, dated June 3, 2008
18. Certificate of JPMorgan Chase Bank, National Association
19. Certificate of The Bank of New York Trust Company, National Association
20. Incumbency Certificate and Bylaws of The Bank of New York Trust Company, National Association
21. Receipt of Irrevocable Letter of Credit, No. 410728
22. Final Opinion of Bond Counsel

23. Reliance Letters
24. Supplemental Opinion of Bond Counsel
25. Opinion of City Attorney
26. Opinion of Trustee/Issuing and Paying Agent's Counsel
27. Opinion of Senior Counsel of J.P. Morgan Chase & Co. (In House Counsel to JPMorgan Chase Bank, National Association)
28. Opinion of Chapman and Cutler LLP
29. Ratings Letters
30. Closing Memorandum

**THIRD AMENDMENT TO
TAX COMPLIANCE CERTIFICATE**

Pursuant to Sections 2.2 and 2.3 of that certain Tax Compliance Certificate, dated November 4, 2004 (the "Tax Compliance Certificate"), executed by the City of Long Beach (the "Issuer") for the purpose of establishing the reasonable expectations of the Issuer as to future events regarding its commercial paper program (the "Commercial Paper Program") for issuing up to \$15,000,000 aggregate principal amount of its Subordinate Airport Revenue Commercial Paper Notes, Series A (Non-AMT), Series B (AMT) and Series C (Taxable), the Issuer wishes to amend the aggregate principal amount to up to \$30,000,000.

[End of Third Amendment to
Tax Compliance Certificate]

IN WITNESS WHEREOF, the undersigned has executed this Second Amendment to Tax Compliance Certificate on this 3rd day of June, 2008.

CITY OF LONG BEACH

By _____
David S. Nakamoto,
City Treasurer

[Signature page to Third Amendment to
Tax Compliance Certificate]

1 RESOLUTION NO.

2

3 A RESOLUTION OF THE CITY COUNCIL OF THE

4 CITY OF LONG BEACH AUTHORIZING THE EXPANSION

5 OF THE CITY'S EXISTING COMMERCIAL PAPER

6 PROGRAM TO PERMIT THE ISSUANCE AND SALE OF

7 THE CITY OF LONG BEACH, CALIFORNIA SUBORDINATE

8 AIRPORT REVENUE COMMERCIAL PAPER NOTES,

9 SERIES A (NON-AMT), SERIES B (AMT) AND SERIES C

10 (TAXABLE) FROM TIME TO TIME IN AN AGGREGATE

11 PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000; TO

12 AUTHORIZE THE EXPENDITURE OF NOTE PROCEEDS

13 ON THE DESIGN OF VARIOUS TERMINAL

14 IMPROVEMENTS AND A MULTILEVEL PUBLIC PARKING

15 STRUCTURE AT THE LONG BEACH AIRPORT; AND

16 APPROVING A SECOND SUPPLEMENTAL SUBORDINATE

17 TRUST INDENTURE, A FIRST AMENDMENT TO ISSUING

18 AND PAYING AGENT AGREEMENT, A SECOND

19 AMENDMENT TO REIMBURSEMENT AGREEMENT, A

20 BANK NOTE, A FIRST AMENDMENT TO COMMERCIAL

21 PAPER DEALER AGREEMENT, AN OFFERING

22 MEMORANDUM AND RELATED DOCUMENTS,

23 AUTHORIZING AND DIRECTING EXECUTION THEREOF

24 AND AUTHORIZING ACTIONS RELATED THERETO

25

26 WHEREAS, the City of Long Beach (the "City") is a city organized and

27 existing under a charter duly and regularly adopted pursuant to the provisions of the

28 Constitution of the State of California; and

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

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

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

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

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

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

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

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

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

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

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

25 WHEREAS, the City Council has determined that it is in the best interests of
26 the City to expand the authorized amount of Commercial Paper Notes that may be issued
27 under the Indenture at any one time outstanding in the aggregate principal amount of not
28 to exceed \$30,000,000; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 WHEREAS, the City held a public hearing on April 8, 2008 in accordance
4 with Section 147(f) of the Code (the "Public Hearing"), concerning the funding of certain
5 costs associated with the design of the Parking Structure, the issuance from time to time
6 of the Commercial Paper Notes in an aggregate principal amount not to exceed
7 \$30,000,000 and the funding of certain ongoing capital maintenance and rehabilitation
8 projects to be located at the Airport; and

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

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

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

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

19 Section 3. Issuance of Commercial Paper Notes; Terms of Commercial
20 Paper Notes. For the purposes set forth in the foregoing recitals, including, but not
21 limited, to the approval required by Section 147(f) of the Code, the City Council hereby
22 authorizes the expansion of the Commercial Paper Program to permit the issuance, from
23 time to time, of the Commercial Paper Notes, the issuance of the Bank Note and the
24 incurrence of Payment Obligations due to the Bank under the Reimbursement Agreement
25 and the Second Supplemental Subordinate Indenture provided that the aggregate
26 principal amount of the Commercial Paper Notes and the aggregate principal amount of
27 the Payment Obligations outstanding at any time under the expanded Commercial Paper
28 Program shall not exceed \$30,000,000. The Commercial Paper Notes shall have

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

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

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

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

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

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

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

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

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

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

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

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

6 Section 8. Approval of Second Supplemental Subordinate Indenture.

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

24 Section 9. Approval of First Amendment to Issuing and Paying Agent
25 Agreement. The First Amendment to Issuing and Paying Agent Agreement, in the form
26 on file with the City Clerk, is hereby approved. The Designated Officers, each acting
27 alone, are hereby authorized, empowered and directed to execute, acknowledge and
28 deliver the First Amendment to Issuing and Paying Agent Agreement, including

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

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

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

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

1 Amendment to Dealer Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 Ayes: Councilmembers: _____

6 _____

7 _____

8 _____

9 Noes: Councilmembers: _____

10 _____

11 Absent: Councilmembers: _____

12 _____

13 _____

14 _____

City Clerk

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HAM:fl
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