

**CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (this “**Certificate**”) is executed and delivered by the City of Long Beach, California, acting by and through its Board of Harbor Commissioners (the “**Issuer**”), in connection with the issuance of \$[\_\_\_\_\_] City of Long Beach, California Harbor Revenue Bonds, Series 2015C (the “**Series 2015C Senior Bonds**”), and \$[\_\_\_\_\_] City of Long Beach, California Harbor Revenue Bonds, Series 2015D (the “**Series 2015D Senior Bonds**,” and together with the Series 2015C Senior Bonds, the “**Series 2015 Senior Revenue Bonds**”), pursuant to the terms of Resolution No. HD-1475, adopted by the Board of Harbor Commissioners of the City of Long Beach, California (the “**Board**”) on November 8, 1989, as amended and supplemented, and Resolution No. HD-[\_\_\_\_], adopted by the Board on [\_\_\_\_], 2015 (collectively, the “**Resolution**”).

In consideration of the purchase of the Series 2015 Senior Revenue Bonds by the Participating Underwriter (as defined below), the Issuer covenants and agrees as follows:

**Section 1. Purpose of the Certificate.** This Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Series 2015 Senior Revenue Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “**Rule**”).

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

“**Annual Report**” means any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 hereof.

“**Beneficial Owner**” means any person which (a) has or shares the power, directly or indirectly, to vote or consent with respect to, to make investment decisions concerning the ownership of, or to dispose of ownership of, any Series 2015 Senior Revenue Bonds (including persons holding Series 2015 Senior Revenue Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2015 Senior Revenue Bonds for federal income tax purposes.

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

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

“**Harbor Department**” means the Harbor Department of the City of Long Beach, California.

“**Holders**” means either the registered owners of the Series 2015 Senior Revenue Bonds, or if the Series 2015 Senior Revenue Bonds are registered in the name of The Depository Trust Company or other recognized securities depository, any applicable participant in its depository system.

“**Listed Events**” means any of the events listed in Sections 5(a) and 5(b) hereof.

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

“**Obligated Person**” means the Issuer and any other “obligated person” within the meaning of the Rule.

“**Official Statement**” means the Official Statement, dated [\_\_\_\_\_], 2015, prepared and distributed in connection with the initial sale of the Series 2015 Senior Revenue Bonds.

“**Participating Underwriter**” means any of the original underwriters of the Series 2015 Senior Revenue Bonds required to comply with the Rule in connection with the offering of the Series 2015 Senior Revenue Bonds.

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

### **Section 3. Provision of Annual Reports.**

(a) The Issuer shall provide, or shall cause the Dissemination Agent, if the Dissemination Agent is other than the Issuer, to provide, to the MSRB through the EMMA System (in an electronic format and accompanied by identifying information all as prescribed by the MSRB and/or the Rule) an Annual Report which is consistent with the requirements of Section 4 hereof by April 30 of each year. The Issuer’s first Annual Report shall be due April 30, 2016. If the Issuer is not the Dissemination Agent, then the Issuer shall provide the Annual Report to the Dissemination Agent not later than April 15 of each year. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 hereof. The audited financial statements of the Harbor Department may be submitted separately from the balance of the Annual Report and later than the date required above for filing the Annual Report if they are not available by the date of submission.

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

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

(d) The Dissemination Agent (if other than the Issuer) shall confirm in writing to the Issuer that the Annual Report has been filed as required hereunder, stating the date filed.

### **Section 4. Content of Annual Reports.**

(a) The Issuer’s Annual Report shall contain or incorporate by reference the following in a form and substance similar to the information set forth in the Official Statement, updated to incorporate information for the most recent fiscal or calendar year, as applicable (the tables referred to below are those appearing in the Official Statement relating to the Series 2015 Senior Revenue Bonds, unless otherwise noted):

1. The audited financial statements of the Harbor Department for the prior fiscal year, prepared in accordance with generally accepted accounting

principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Harbor Department's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a) hereof, the Annual Report shall contain comparable information derived from unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Table 2—Harbor Department of the City of Long Beach, Bonds Debt Service Requirements (but only to the extent such information has changed).

3. Table 3—Harbor Department of the City of Long Beach, Senior Debt Service Coverage.

4. Table 4—Harbor Department of the City of Long Beach, Revenue Tonnage Summary.

5. Table 6—Harbor Department of the City of Long Beach, Cargo Summary.

6. Table 8—Harbor Department of the City of Long Beach, Sources of Operating Revenues.

7. Table 9—Harbor Department of the City of Long Beach, Wharfage Revenues.

8. Table 12—Harbor Department of the City of Long Beach, Comparative Summary of Statements of Revenues and Expenses.

9. Table 13—Harbor Department of the City of Long Beach, Comparative Balance Sheet—Assets.

10. Table 14—Harbor Department of the City of Long Beach, Comparative Balance Sheet—Liabilities and Equity/Net Assets.

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

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

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

**Section 5. Reporting of Listed Events.**

(a) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2015 Senior Revenue Bonds not later than ten (10) Business Days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions with respect to the tax status of the Series 2015 Senior Revenue Bonds or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB) with respect to the Series 2015 Senior Revenue Bonds;
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

The Issuer notes that items [2, 3 and 4] are not applicable to the Series 2015 Senior Revenue Bonds.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2015 Senior Revenue Bonds, if material, not later than ten (10) Business Days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to

the tax status of the Series 2015 Senior Revenue Bonds or other material events affecting the tax status of the Series 2015 Senior Revenue Bonds;

2. Modifications to rights of the Beneficial Owners or Holders of the Series 2015 Senior Revenue Bonds;

3. Optional, unscheduled or contingent bond calls;

4. Release, substitution or sale of property securing repayment of the Series 2015 Senior Revenue Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional trustee or the change of name of a trustee;

The Issuer notes that items [4 and 7] are not applicable to the Series 2015 Senior Revenue Bonds.

(c) The Issuer shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a) hereof, as provided in Section 3 hereof.

(d) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the Issuer shall determine if such event would be material under applicable federal securities laws.

(e) If the Issuer learns of an occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the Issuer shall within ten (10) Business Days of occurrence file a notice of such occurrence with the MSRB through the EMMA System in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Beneficial Owners and Holders of the affected Series 2015 Senior Revenue Bonds pursuant to the Resolution.

**Section 6. Termination of Reporting Obligation.** The Issuer's obligations under this Certificate with respect to any Series 2015 Senior Revenue Bonds shall terminate upon the legal defeasance, prior redemption or payment of amounts fully sufficient to pay and discharge such Series 2015 Senior Revenue Bonds, or upon delivery to the Dissemination Agent (if other than the Issuer) of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required with respect to such Series 2015 Senior Revenue Bonds. In addition, in the event that the Rule shall be amended, modified or repealed such that compliance

by the Issuer with its obligations under this Certificate no longer shall be required in any or all respects, then the Issuer's obligations hereunder shall terminate to a like extent.

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

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, change in law (including rules or regulations) or in interpretations thereof, or change in the identity, nature or status of an Obligated Person with respect to the Series 2015 Senior Revenue Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2015 Senior Revenue Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the applicable Series 2015 Senior Revenue Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Beneficial Owners of the applicable Series 2015 Senior Revenue Bonds.

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

**Section 9. Additional Information.** Nothing in this Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination

set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 10. Default.** In the event of a failure of the Issuer to comply with any provision of this Certificate, any Holder or Beneficial Owner of the Series 2015 Senior Revenue Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer or the Dissemination Agent (if other than the Issuer), as the case may be, to comply with its obligations under this Certificate; provided that any such Holder or Beneficial Owner may not take any enforcement action without the consent of the Holders of not less than 25% (twenty-five percent) in aggregate principal amount of the Series 2015 Senior Revenue Bonds that at the time are Outstanding. A default under this Certificate shall not be deemed a default under the Resolution and the sole remedy under this Certificate in the event of any failure of the Issuer or the Dissemination Agent (if other than the Issuer) to comply with this Certificate shall be an action to compel performance. Under no circumstances shall any person or entity be entitled to recover monetary damages hereunder in the event of any failure of the Issuer or the Dissemination Agent (if other than the Issuer) to comply with this Certificate. No Holder or Beneficial Owner of the Series 2015 Senior Revenue Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the Issuer satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the Issuer shall have refused to comply therewith within a reasonable time.

**Section 11. Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are expressly and specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any claims, losses, expenses and liabilities which such Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties given to the Dissemination Agent hereunder, including the costs and expenses (including attorneys' fees) of defending, in any manner or forum, against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct, subject to the Resolution. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2015 Senior Revenue Bonds.

**Section 12. Beneficiaries.** This Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Series 2015 Senior Revenue Bonds, and shall create no rights in any other person or entity.

**Section 13. Partial Invalidity.** If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Issuer shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof, and the Beneficial

Owners of the Series 2015 Senior Revenue Bonds shall retain all the benefits afforded to them hereunder. The Issuer hereby declares that it would have executed and delivered this Certificate and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

**Section 14. Governing Law.** This Certificate was made in the City of Long Beach and shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Long Beach, without regard to conflict of law principles. Any litigation, action or proceeding to enforce or interpret any provision of this Certificate or otherwise arising out of, or relating to this Certificate, shall be brought, commenced or prosecuted in a State or Federal court in the County of Los Angeles in the State of California. By its acceptance of the benefits hereof, any person or entity bringing any such litigation, action or proceeding submits to the exclusive jurisdiction of the State of California and waives any defense of forum non conveniens.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the undersigned has hereunto signed and executed this Certificate this [\_\_\_\_] day of [\_\_\_\_], 2015.

CITY OF LONG BEACH, CALIFORNIA, acting by  
and through its Board of Harbor Commissioners

By: \_\_\_\_\_

Authorized Representative

**EXHIBIT A**

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

Name of Issuer: City of Long Beach, California  
Name of Bond Issue: Harbor Revenue Bonds, Series 2015C  
Harbor Revenue Bonds, Series 2015D  
Name of Obligated Person: Harbor Department of the City of Long Beach, California  
Date of Issuance: [\_\_\_\_], 2015  
CUSIP: [\_\_\_\_\_]

NOTICE IS HEREBY GIVEN that the City of Long Beach, acting by and through its Board of Harbor Commissioners (the "Issuer"), has not provided an Annual Report with respect to the above-named Series 2015 Senior Revenue Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated [\_\_\_\_], 2015, by the Issuer. The Issuer anticipates that the Annual Report will be filed by [\_\_\_\_], 20\_\_.

Dated: \_\_\_\_\_

CITY OF LONG BEACH, CALIFORNIA, acting by  
and through its Board of Harbor Commissioners

By: \_\_\_\_\_

Authorized Representative