

A RESOLUTION OF THE REDEVELOPMENT  
AGENCY OF THE CITY OF LONG BEACH APPROVING  
THE ISSUANCE AND SALE OF NORTH LONG BEACH  
PROJECT AREA TAX ALLOCATION BONDS, AND  
APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Law"), authorizes redevelopment agencies to incur indebtedness for the purpose of financing redevelopment activities within or of benefit to redevelopment project areas of redevelopment agencies; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the "Federal Stimulus Act"), added sections 1400U-1 and 1400U-2 to the Internal Revenue Code of 1986 (the "Code"), authorizing state and local governmental agencies to issue recovery zone economic development bonds ("Recovery Zone Economic Development Bonds") upon compliance with various requirements of the Code; and

WHEREAS, among other requirements, the Code requires that the net proceeds of any Recovery Zone Economic Development Bonds be used for a "qualified economic development purpose," including to fund capital expenditures paid or incurred with respect to property located in a "recovery zone"; and

WHEREAS, on December 9, 2009, the Agency adopted Resolution No. R.A. 41-2009, designating the territory in the City as a "recovery zone" (the "Long Beach Recovery Zone") for purposes of section 1400U-1(b) of the Code; and

WHEREAS, under the Federal Stimulus Act, the City of Long Beach (the "City") has been allocated the authority to issue up to \$22,235,000 principal amount of Recovery Zone Economic Development Bonds and the City is expected to take action to transfer all of such allocation to the Redevelopment Agency of the City of Long Beach

(the "Agency") so that the Agency can issue Recovery Zone Economic Development Bonds; and

WHEREAS, the Federal Stimulus Act also added section 54AA to the Code, authorizing state and local governmental agencies to issue build America bonds ("Build America Bonds") upon compliance with various requirements of the Code; and

WHEREAS, the Agency now desires to finance redevelopment activities within or of benefit to the Agency's North Long Beach Redevelopment Project (the "Redevelopment Project"), which activities will promote development or other economic activity in the Long Beach Recovery Zone as contemplated by section 1400U-2(c) of the Code; and

WHEREAS, the Agency has determined at this time to issue Recovery Zone Economic Development Bonds and, possibly, Build America Bonds or bonds the interest on which will be excluded from gross income of the owners of the bonds for purposes of federal income taxation ("Tax-Exempt Bonds"), in each case under the provisions of the Law and the Code to finance redevelopment activities within or of benefit to the Redevelopment Project, with the payment of the principal of and interest on the bonds to be issued (the "Bonds") to be made from, and secured by a pledge of, the tax increment revenues received by the Agency from the Redevelopment Project on a parity with the pledge thereof to the payment of the Agency's outstanding 2002 Tax Allocation Bonds (North Long Beach Redevelopment Project) and the Agency's outstanding 2005 Tax Allocation Bonds (North Long Beach Redevelopment Project); and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds as contemplated by this Resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Law, and the Agency now desires to authorize the issuance of the Bonds, as provided herein;

NOW, THEREFORE, the Redevelopment Agency of the City of Long Beach, California resolves as follows:

Section 1. Authorization and Issuance of the Bonds. The Agency hereby authorizes the issuance of the Bonds in one or more series in the aggregate initial principal amount of not to exceed \$35,000,000. The Bonds shall be issued pursuant to the Law and an Indenture of Trust, dated as of May 1, 2002 (the "Original Indenture"), by and between the Agency and The Bank of New York Mellon Trust Company, N.A. (successor to BNY Western Trust Company and formerly known as The Bank of New York Trust Company, N.A.), as trustee (the "Trustee"), as amended and supplemented by a First Supplemental Indenture of Trust, dated as of February 1, 2005 (the "First Supplement"), by a Second Supplemental Indenture of Trust, dated as of February 1, 2006 (the "Second Supplement"), and by a Third Supplemental Indenture of Trust, dated as May 1, 2010 (the "Third Supplement"), each between the Agency and the Trustee.

The Bonds may be issued in one or more series, and may be issued as (a) Recovery Zone Economic Development Bonds; (b) Build America Bonds; (c) Tax-Exempt Bonds; or (d) a combination of any of the foregoing. The Agency Treasurer, upon consultation with Fieldman, Rolapp & Associates, the Agency's Financial Advisor for the Bonds, and Stone & Youngberg LLC, the underwriter for the Bonds (the "Underwriter"), shall determine the portions of the Bonds, if any, to be issued as Recovery Zone Economic Development Bonds, as Build America Bonds and as Tax-Exempt Bonds, as is in the best economic interest of the Agency. In any event, the initial aggregate principal amount of the Bonds shall not exceed \$35,000,000, and the initial principal amount of any Recovery Zone Economic Development Bonds shall not exceed \$22,235,000.

The Agency hereby approves the Third Supplement in the form on file with counsel to the Agency. The Chairman, Executive Director, and Treasurer (the "Designated Officers"), each acting alone, are hereby authorized and directed to

execute the Third Supplement on behalf of the Agency in such form, together with such additions thereto and changes therein as the Designated Officer executing such document shall deem necessary, desirable or appropriate (including, but not limited to, any changes necessary to reflect the proper terms of any Recovery Zone Economic Development Bonds, Build America Bonds or Tax-Exempt Bonds that are to be issued), and the execution of the Third Supplement by a Designated Officer shall be conclusive evidence of the approval of any such additions and changes. The Agency hereby authorizes the delivery and performance of the Third Supplement as so executed, and hereby ratifies and confirms the provisions of the Original Indenture, as amended and supplemented by the First Supplement and the Second Supplement.

Section 2. Sale of the Bonds. The Agency hereby approves the Bond purchase contract (the "Bond Purchase Agreement"), by and among the Underwriter, the Long Beach Bond Finance Authority (the "Authority"), and the Agency, in the form on file with counsel to the Agency. The Designated Officers, each acting alone, are hereby authorized and directed to execute the Bond Purchase Agreement on behalf of the Agency in such form, together with such additions thereto or changes therein as the Designated Officer executing such document shall deem necessary, desirable or appropriate (and which are, in any event, consistent with the requirements of the succeeding sentence), and the execution of the Bond Purchase Agreement by a Designated Officer shall be conclusive evidence of the approval of any such additions or changes. The Agency hereby approves the negotiated sale of the Bonds to the Authority, and the sale of the Bonds by the Authority to the Underwriter, pursuant to the Bond Purchase Agreement, so long as the Underwriter's discount, excluding any original issue discount, does not exceed 0.40% of the initial principal amount of the Bonds, the net interest cost of any Bonds issued as Recovery Zone Economic Development Bonds or as Build America Bonds does not exceed 9.00%, the net interest cost of any Bonds issued as Tax-Exempt Bonds does not exceed 6.50%, and the initial aggregate principal amount of the Bonds is not in excess of \$35,000,000.

Section 3. Official Statement. The Agency hereby authorizes the Designated Officers, each acting alone, to cause the form of the Preliminary Official Statement for the Bonds on file with counsel to the Agency to be finalized, and to deem it final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 (the "Rule"), as amended, except for omissions permitted under the Rule. Distribution of the Preliminary Official Statement by the Underwriter to prospective purchasers of the Bonds is hereby approved. The Designated Officers, each acting alone, are hereby authorized to execute a final Official Statement describing the Bonds, including as the Preliminary Official Statement may be modified by such additions thereto and changes therein as the Designated Officer executing such document shall deem necessary, desirable or appropriate, and the execution of the final Official Statement by a Designated Officer shall be conclusive evidence of the approval of any such additions and changes. The Agency hereby authorizes the distribution of the final Official Statement by the Underwriter.

Section 4. Authentication and Delivery of the Bonds. The Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or upon the instruction of the Underwriter in accordance with written instructions executed on behalf of the Agency by the Executive Director, which instructions such officer is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Underwriter in accordance with the Bond Purchase Agreement upon payment of the purchase price therefor.

Section 5. Continuing Disclosure Agreement; Calculation Agency Agreement. The Continuing Disclosure Agreement between the Agency and the City, and the Calculation Agency Agreement between the Agency and The Bank of New York Mellon Trust Company, N.A., as calculation agent (collectively, the "Related

Agreements”), in the respective forms on file with counsel to the Agency, are hereby approved. The Designated Officers, each acting alone, are hereby authorized and directed, on behalf of the Agency, to execute and deliver the Related Agreements in said forms, with such additions thereto or changes therein as the Designated Officer executing such documents shall deem necessary, desirable or appropriate, the approval of such changes to either of the Related Agreements to be conclusively evidenced by the execution and delivery by a Designated Officer of the respective Related Agreement.

Section 6. Official Actions. The Chairman, the Executive Director, the Treasurer, the Secretary and any and all other officers of the Agency are hereby authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds as described in the documents approved by this Resolution.

Section 7. The Executive Director of the Agency is authorized to take all steps and to sign all documents and instructions necessary to implement and carry out the Disposition and Development Agreement on behalf of the Agency.

APPROVED AND ADOPTED by the Redevelopment Agency of the City of Long Beach, California this 5th day of April, 2010.

  
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Executive Director/Secretary

APPROVED:

  
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Chair