

# **LONG BEACH REDEVELOPMENT AGENCY**

## **ASSET TRANSFER REVIEW**

### Review Report

*January 1, 2011, through January 31, 2012*



**JOHN CHIANG**  
California State Controller

February 2014



**JOHN CHIANG**  
*California State Controller*

February 27, 2014

Stephen Hannah, City Controller  
Long Beach Redevelopment/Successor Agency  
333 W. Ocean Boulevard  
Long Beach, CA 90802

Dear Mr. Hannah:

Pursuant to Health and Safety Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Long Beach Redevelopment Agency (RDA) to the City of Long Beach (City) or any other public agency after January 1, 2011. This statutory provision states, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether the asset should be turned over to the Successor Agency.

Our review applied to all assets including but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. We also reviewed and determined whether any unallowable transfers of assets to the City or any other public agencies have been reversed.

Our review found that the Long Beach Redevelopment Agency transferred \$456,458,123 in assets after January 1, 2011, including unallowable transfers totaling \$209,270,648 (\$178,329,676 to the City and \$30,940,972 to the Long Beach Housing Development Company [Housing Agency]), or 45.85% of transferred assets. However, the following corrective actions have been taken:

- On February 1, 2012, the City turned over \$150,670,483 in land for resale to the Successor Agency.
- On December 3, 2012, the Housing Agency turned over \$30,940,972 in unencumbered Low and Moderate Income Housing cash to the County Auditor-Controller.
- On April 1, 2013, the City turned over \$4,551,020 in cash to the Successor Agency.

Therefore, the remaining amount of unallowable transfers, totaling \$23,108,173, must be turned over to the Successor Agency.

If you have any questions, please contact Elizabeth Gonzalez, Bureau Chief, Local Government Compliance Bureau, by phone at (916) 324-0622.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/sk

cc: Wendy L. Watanabe, Auditor-Controller  
County of Los Angeles  
Jane Netherton, Chair of the Oversight Board  
City of Long Beach  
Long Beach Redevelopment/Successor Agency  
David Botelho, Program Budget Manager  
California Department of Finance  
Richard J. Chivaro, Chief Legal Counsel  
State Controller's Office  
Elizabeth Gonzalez, Bureau Chief  
Division of Audits, State Controller's Office  
Betty Moya, Audit Manager  
Division of Audits, State Controller's Office  
Tuan Tran, Auditor-in-Charge  
Division of Audits, State Controller's Office

# Contents

## Review Report

<b>Summary</b> .....	1
<b>Background</b> .....	1
<b>Objective, Scope, and Methodology</b> .....	2
<b>Conclusion</b> .....	2
<b>Views of Responsible Officials</b> .....	3
<b>Restricted Use</b> .....	3
<b>Findings and Orders of the Controller</b> .....	4
<b>Schedule 1—Unallowable RDA Assets Transferred to the City of Long Beach</b> .....	7
<b>Attachment—City of Long Beach’s Response to Draft Review Report</b>	

# Asset Transfer Review Report

## Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the Long Beach Redevelopment Agency (RDA) after January 1, 2011. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payments of any kind from any source.

Our review found that the RDA transferred \$456,458,123 in assets after January 1, 2011, including unallowable transfers totaling \$209,270,648 (\$178,329,676 to the City of Long Beach [City] and \$30,940,972 to the Long Beach Housing Development Company [Housing Agency]), or 45.85% of transferred assets. However, the following corrective actions have been taken:

- On February 1, 2012, the City turned over \$150,670,483 in land for resale to the Successor Agency.
- On December 3, 2012, the Housing Agency turned over \$30,940,972 in unencumbered Low and Moderate Income Housing cash to the County Auditor-Controller.
- On April 1, 2013, the City turned over \$4,551,020 in cash to the Successor Agency.

Therefore, the remaining amount of unallowable transfers, totaling \$23,108,173, must be turned over to the Successor Agency.

## Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA Successor Agencies to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (*California Redevelopment Association et al. v. Matosantos*), upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

ABX1 26 was codified in the Health and Safety (H&S) Code beginning with section 34161.

In accordance with the requirements of H&S Code section 34167.5, the State Controller is required to review the activities of RDAs, "to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency, or any other public agency, and the

redevelopment agency,” and the date on which the RDA ceases to operate, or January 31, 2012, whichever is earlier.

The SCO has identified transfers of assets that occurred after January 1, 2011, between the RDA, the City, and/or other public agencies. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal order to ensure compliance with this order.

## **Objective, Scope, and Methodology**

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA, or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the RDA, the Successor Agency, and the City.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

## **Conclusion**

Our review found that the Long Beach Redevelopment Agency transferred \$456,458,123 in assets after January 1, 2011, including unallowable transfers totaling \$209,270,648 (\$178,329,676 to the City of Long Beach [City] and \$30,940,972 to the Long Beach Housing Development Company [Housing Agency]), or 45.85% of transferred assets. However, the following corrective actions have been taken:

- On February 1, 2012, the City turned over \$150,670,483 in land for resale to the Successor Agency.
- On December 3, 2012, the Housing Agency turned over \$30,940,972 in unencumbered Low and Moderate Income Housing cash to the County Auditor-Controller.
- On April 1, 2013, the City turned over \$4,551,020 in cash to the Successor Agency.

Therefore, the remaining amount of unallowable transfers, totaling \$23,108,173, must be turned over to the Successor Agency.

Details of our findings are in the Findings and Orders of the Controller section of this report.

**Views of  
Responsible  
Officials**

We issued a draft review report on September 3, 2013. Charles Parkin, City Attorney, and Richard F. Anthony, Deputy City Attorney, responded by letter dated October 17, 2013, disagreeing with the review results. The City of Long Beach's response is included in this final review report as an attachment.

**Restricted Use**

This report is solely for the information and use of the City, the Successor Agency, the Oversight Board, the Housing Agency, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

February 27, 2014

# Findings and Orders of the Controller

## **FINDING 1— Unallowable asset transfers to the City of Long Beach**

The Long Beach Redevelopment Agency (RDA) made unallowable asset transfers of \$178,329,676 to the City of Long Beach (City). The asset transfers to the City occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011.

Unallowable asset transfers were as follows:

- From January 20, 2011, to August 18, 2011, the RDA transferred a total of \$835,659 in cash to the City. The transfers were in repayment of the City's advance to the RDA pursuant to the Cooperation and Loan Agreement CT5.
- From February 11, 2011, to January 31, 2012, the RDA transferred a total of \$1,055,453 in cash to the City. The transfers were to pay the City for conveying 2655 Pine Avenue to the RDA pursuant to the Cooperation and Loan Agreement CT5.
- On March 7, 2011, the RDA transferred \$1,000,000 in cash to the City. The transfer was in repayment of the City's advance to the Downtown Project Area.
- From March 7, 2011, to January 30, 2012, the RDA transferred a total of \$1,659,908 in cash to the City. The transfers were to satisfy CityPlace Garage debt service payment pursuant to the CityPlace Reimbursement Agreement.
- On April 1, 2011, the RDA transferred a total of \$150,670,483 in land held for resale to the City. The transfer were approved by the members of the City Council and the RDA during various meetings in March 2011.
- On January 31, 2012, the RDA forgave a \$23,108,173 advance owed from the City, resulting in the removal of the accounts receivable from the books of the RDA.

Pursuant to Health and Safety (H&S) Code section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any other public agency after January 1, 2011. Those assets should be turned over to the Successor Agency for disposition in accordance with H&S Code section 34177 (d) and (e).

### Order of the Controller

Pursuant to H&S Code section 34167.5, the City of Long Beach is ordered to reverse the transfer of the above assets in the amount of \$178,329,676. However, on February 1, 2012, the City turned over \$150,670,483 in land held for resale and on April 1, 2013, the City turned over \$4,551,020 in cash to the Successor Agency. Therefore, the remaining amount of unallowable transfers is \$23,108,173 which is the amount of the accounts receivable forgiven by our former RDA. The forgiveness should be withdrawn and the Successor Agency should established the accounts receivable on its records.

The Successor Agency is directed to properly dispose of those assets in accordance with H&S Code sections 34177(d) and (e).

#### City's Response to Draft

Regarding the RDA's forgiven loan (Pledged Funds) of \$23,108,173 to the City, the City stated:

...the Pledged Funds are comprised of (i) \$22,217,732 paid by the RDA to bond trustees for the benefit of bondholders, and (ii) \$890,441 paid by the RDA in connection with the upgrade of City-owned parking lots." The City disagrees the amount is a loan to the City.

#### SCO's Comment

The SCO modified the finding to identify the amount as an advance. However, it does not change the finding and Order because the funds were not used prior to June 28, 2011.

#### City's Response to Draft

Regarding the forgiveness of the \$22,217,732 accounts receivable by the RDA, the City disagrees that the amount constitutes a prohibited transfer under H&S Code section 34167.5 because "the funds were neither received by nor remitted to the City, and neither the City nor any other entity was legally obligated to the repay such funds."

#### SCO's Comment

The SCO disagrees. An asset transfer is any mode of disposing of or parting with an asset or an interest in an asset. According to the 1995 Owner Participation Agreement (OPA) and the 2001 OPA, the RDA was making the deposit to the City Tidelands fund over the years. The amount in the Tidelands fund was then used to pay bonds pursuant to the two OPAs. The RDA recognized the amount above as an advance to the City of Long Beach (accounts receivable) pursuant to the 2001 OPA before the RDA wrote it off on January 31, 2012. In accordance with Section 2.04 of the 2001 OPA, the Long Beach Bond Finance Authority (Authority) is obligated to reimburse the RDA for bond payments. The Authority is considered a part of the City in accordance with H&S Code section 34167.10(1)(a). Forgiveness of the receivable is considered a transfer of that asset to the City.

The finding and Order of the Controller remains as stated.

#### City's Response to Draft

Regarding the forgiveness of the \$890,441 accounts receivable by the RDA, the City disagrees with the finding pursuant to H&S Code section 34178(a). The Reimbursement Agreement between the RDA and the City is invalid and shall not be binding on the Successor Agency.

SCO's Comment

Actions taken pursuant to H&S Code section 34178(a) apply only to the Successor Agency and not to the RDA. In addition, this provision applies only to agreements, contracts, or arrangements under which the RDA owes funds to the City. In accordance with H&S Code section 34181, only the Oversight Board can direct the Successor Agency to forgive a loan.

The finding and Order of the Controller remain as stated.

**FINDING 2—  
Unallowable asset  
transfers to the Long  
Beach Housing  
Development  
Company**

On January 31, 2012, the RDA transferred a total of \$30,940,972 in unencumbered Low and Moderate Income Housing (Low Mod) cash to the Long Beach Housing Development Company (Housing Agency). Based on H&S Code section 34176(e), unencumbered assets are to remain with the Successor Agency.

Pursuant to H&S Code section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any other public agency after January 1, 2011. Those assets should be turned over to the Successor Agency for disposition in accordance with H&S Code section 34177 (d) and (e).

Order of the Controller

Based on H&S Code section 34167.5, the City is ordered to reverse the transfer of the above assets in the amount of \$30,940,972. However, on December 3, 2012, the Housing Authority turned over the amount above to the County Auditor-Controller. Therefore, no further action is needed.

**Schedule 1—  
Unallowable RDA Assets Transferred to  
the City of Long Beach  
January 1, 2011, through January 31, 2012**

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Unallowable transfers to the City of Long Beach:

Cash transfers to the City (Cooperation and Loan Agreement CT5)	\$ 835,659
Cash transfers to the City (Cooperation and Loan Agreement CT5)	1,055,453
Cash transfers to the City (advance to the Downtown Project Area)	1,000,000
Cash transfers to the City (CityPlace Reimbursement Agreement)	1,659,908
Land held for resale transfer to the City	150,670,483
Loan receivable (loan advance to the City forgiven)	<u>23,108,173</u>
Total unallowable transfers to the City	178,329,676
City turned over land held for resale to the Successor Agency	(150,670,483)
City turned over cash to the Successor Agency	<u>(4,551,020)</u>
Total transfer subject to H&S Code section 34167.5	<u>\$ 23,108,173</u>

**Attachment—  
City of Long Beach’s Response to  
Draft Review Report**

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CHARLES PARKIN  
City Attorney

MICHAEL J. MAIS  
Assistant City Attorney

## OFFICE OF THE CITY ATTORNEY

333 W. Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664  
Telephone: (562) 570-2200  
Facsimile: (562) 436-1579

October 17, 2013

### VIA E-MAIL & U.S. MAIL

Mr. Steven Mar  
Chief, Local Government Audits Bureau  
State Controller's Office, Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874  
smar@sco.ca.gov

RE: **State Controller's Objection to Transfer of \$23,108,173**  
File No.: A12-00183

Dear Mr. Mar:

We are in receipt of your letter dated September 3, 2013 which made certain determinations with respect to asset transfers made by the former Redevelopment Agency of the City of Long Beach ("RDA") to the City of Long Beach ("City") after January 1, 2011. Your review concluded that "on January 31, 2012 the RDA forgave a loan to the City" in the amount of \$23,108,173 (the "Pledged Funds"), which constituted an illegal transfer of funds between the RDA and the City. As a result, you made demand that the City transfer the Pledged Funds to the Successor Agency to the Redevelopment Agency of the City of Long Beach ("Successor Agency"). The Pledged Funds were not a loan from the RDA to the City and the removal of the Pledged Funds from the accounts of the RDA did not constitute a prohibited "transfer" under Health & Safety Code Section 34167.5. The Pledged Funds are comprised of (i) \$22,217,732 paid by the RDA to bond trustees for the benefit of bondholders, and (ii) \$890,441 paid by the RDA in connection with the upgrade of City-owned parking lots. Each are separately described in more detail below.

In 1990 the RDA adopted Ordinance 1-90 which imposed a transient occupancy tax ("TOT") on specific hotels located in the downtown project area within the City. The TOT was used by the RDA to fund redevelopment projects within such project area.

In October of 1995 the Long Beach Aquarium of the Pacific, a non-profit corporation, issued a total of \$117,545,000 in bonds (the "1995 Bonds") in connection with the development of the Aquarium of the Pacific ("Aquarium"). In order to increase the marketability of the 1995 Bonds, the RDA agreed to pledge TOT revenues to pay debt service on the 1995 Bonds in the event that Aquarium revenues were insufficient. The RDA pledged the TOT revenues pursuant to an Owner Participation Agreement dated October 1, 1995 (the "1995 OPA"), a copy of which is attached hereto as Exhibit "A". The Aquarium

### PRINCIPAL DEPUTIES

Dominic Holzhaus  
Anne C. Lattime  
Monte H. Machit

### DEPUTIES

C. Geoffrey Allred  
Gary J. Anderson  
Richard F. Anthony  
Kendra L. Carney  
Christina L. Checel  
LaTasha N. Crow  
Charles M. Gale  
Michele L. Levinson  
Barbara J. McTigue  
Barry M. Meyers  
Howard D. Russell  
Tiffani L. Shin  
Linda T. Vu  
Amy R. Webber  
Theodore B. Zinger

Mr. Steven Mar  
October 17, 2013  
Page 2

revenues proved insufficient to pay the debt service on the 1995 Bonds, and as a result TOT revenue was used to cover debt service shortfalls.

In April of 2001, in order to refinance the 1995 Bonds, the Long Beach Bond Finance Authority ("Authority"), a joint powers authority, issued a total of \$129,520,000 in bonds (the "2001 Bonds"). In order to increase the marketability of the 2001 Bonds, the RDA agreed to pledge TOT revenues to pay debt service on the 2001 Bonds in the event that Aquarium revenues continued to be insufficient. The RDA pledged the TOT revenues pursuant to an Owner Participation Agreement dated April 1, 2001 (the "2001 OPA"), a copy of which is attached hereto as Exhibit "B". The Aquarium revenues continued to be insufficient to pay debt service on the 2001 Bonds, and as a result TOT revenue was used to cover such shortfalls.

Both the 1995 OPA and the 2001 OPA obligated the issuer of the respective bonds to reimburse the RDA for pledged TOT revenues only in the event that there were sufficient Aquarium revenues to do so. At no point after its opening in 1997 did the Aquarium generate sufficient revenues to trigger repayment to the RDA, and at no point was the Aquarium reasonably likely to be obligated to do so. Therefore, in 2011, in accordance with GAAP and at the request of the Successor Agency's independent auditors, the \$22,217,732 was removed from the RDA books as an account receivable. It was an action that could have, and perhaps should have, been taken years before it actually occurred.

In April 2012, in order to refinance the 2001 Bonds, the Authority issued a total of \$102,580,000 in bonds (the "2012 Bonds"). The proceeds of the 2012 Bonds repaid the outstanding 2001 Bonds, and as a result the 2001 OPA terminated by its own terms, as did any obligation of the Aquarium to repay TOT revenue paid by the RDA. Neither the RDA nor the Successor Agency made any pledge of TOT revenue in connection with the issuance of the 2012 Bonds.

All of the subject TOT revenues were paid to the holders of the 1995 Bonds and 2001 Bonds, and there was never any enforceable obligation on the part of the respective bondholders, issuers or trustees to reimburse such pledged TOT revenues. The \$22,217,732 paid by the RDA in connection with the 1995 Bonds and the 2001 Bonds did not constitute a loan to the City. These funds were neither received by nor remitted to the City, and neither the City nor any other entity was legally obligated to repay such funds.

The RDA and the City executed that certain CityPlace Reimbursement Agreement ("Reimbursement Agreement"), dated June 9, 2009, pursuant to which the RDA agreed to advance up to \$990,000 towards the upgrade and modernization of certain City-owned parking garages. A copy of the Reimbursement Agreement is attached hereto as Exhibit C. The RDA actually advanced \$890,441. The City was obligated to repay the advance from 50% of the profits (as defined in the Reimbursement Agreement) derived from the City's operation of the subject parking garages. The Reimbursement Agreement, and any ongoing obligation on the part of City to reimburse the Successor Agency, is invalid and unenforceable pursuant to Section 34178(a) of the Health & Safety Code, which states that "agreements...between the city...that created the redevelopment agency and the redevelopment agency are invalid and shall not be binding on the successor agency...". It is our understanding that your counsel interprets the above law to invalidate only those agreements under which the Successor Agency owes money, and that agreements under

Mr. Steven Mar  
October 17, 2013  
Page 3

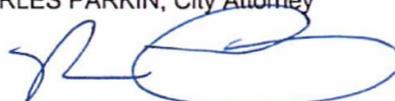
which the Successor Agency is entitled to money are not invalidated by Section 34178. Assuming that to be true for the sake of argument, then (i) the Successor Agency is not entitled to any past or present reimbursement because the parking garages have failed to generate any profits to date, and (ii) the Successor Agency would be entitled to future repayment if the parking garages ever generate any profits (which based upon past results would seem unlikely). The \$890,441 was removed from the RDA's accounts because (i) it is our opinion that the Reimbursement Agreement is invalid, and (ii) even if the Reimbursement Agreement is still in effect, the performance of the parking garages to date strongly suggest that the Successor Agency is unlikely to ever be repaid the subject funds.

As discussed above, we believe it is clear that there is no present obligation on the part of the City or any other entity to repay the Successor Agency, and that therefore the removal of the Pledged Funds as an account receivable of the RDA did not constitute a prohibited "transfer" under Health & Safety Code Section 34167.5. As a result, we hope you will reconsider your determination that the Pledged Funds constitute a prohibited asset transfer. Please do not hesitate to contact Stephen Hannah at (562) 570-6450 or myself at (562) 570-2211 with any inquiries regarding this letter. We will gladly meet with you to discuss further, or supply you with any additional documentation that you may need. Thank you for your prompt attention to this matter.

Very truly yours,

CHARLES PARKIN, City Attorney

By:



RICHARD F. ANTHONY,  
Deputy

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cc: Amy Bodek  
John Gross  
Stephen Hannah  
Francine Wiegelman  
Lisa Fall  
Tom Modica

# EXHIBIT A

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## OWNER PARTICIPATION AGREEMENT

by and between

LONG BEACH AQUARIUM OF THE PACIFIC

and

REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

Dated as of October 1, 1995

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TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS; CERTIFICATES

Section 1.01. Definitions . . . . . 2

ARTICLE II

THE PROJECT

Section 2.01. Construction of the Project . . . . . 2  
Section 2.02. Operation of the Project . . . . . 2  
Section 2.03. Maintenance of the Project . . . . . 2  
Section 2.04. Compliance with Indenture, City Pledge Agreement and Ground  
Lease . . . . . 3  
Section 2.05. Nondiscrimination . . . . . 3  
Section 2.06. Development Agreement . . . . . 3

ARTICLE III

AGENCY PAYMENTS

Section 3.01. Pledge of Hotel Taxes . . . . . 3  
Section 3.02. Agency Aquarium Account . . . . . 3  
Section 3.03. Agency Payments; Release of Moneys from Agency Aquarium  
Account . . . . . 4  
Section 3.04. Corporation Reimbursements . . . . . 4  
Section 3.05. Consent of Assignment . . . . . 4

ARTICLE IV

COVENANTS OF THE AGENCY

Section 4.01. Against Encumbrances . . . . . 5  
Section 4.02. Accounting Records and Financial Statements . . . . . 5  
Section 4.03. Maintenance of Powers . . . . . 6  
Section 4.04. Continuation and Enforcement of Hotel Taxes . . . . . 6  
Section 4.05. Compliance with Agreement, Contracts, Laws and Regulations . . . 6  
Section 4.06. Prosecution and Defense of Suits . . . . . 6  
Section 4.07. Further Assurances . . . . . 7

Section 4.08. Continuing Disclosure. . . . .	7
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**ARTICLE V**

**EVENTS OF DEFAULT AND REMEDIES**

Section 5.01. Events of Default . . . . .	7
Section 5.02. Remedies . . . . .	7
Section 5.03. Non-Waiver . . . . .	8
Section 5.04. Remedies Not Exclusive . . . . .	8
Section 5.05. Absolute Obligation of Agency. . . . .	8

**ARTICLE VI**

**TERM; MISCELLANEOUS**

Section 6.01. Term of Agreement . . . . .	9
Section 6.02. Liability of Agency Limited to Hotel Taxes . . . . .	9
Section 6.03. Successor Is Deemed Included in All References to Predecessor . . . . .	9
Section 6.04. Third Party Beneficiaries; Limitation of Rights to Parties, Trustee, Bondholders and Credit Providers . . . . .	9
Section 6.05. Waiver of Notice . . . . .	9
Section 6.06. Severability of Invalid Provisions . . . . .	10
Section 6.07. Notices . . . . .	10
Section 6.08. Article and Section Headings and References . . . . .	10
Section 6.09. Waiver of Personal Liability . . . . .	11
Section 6.10. Saturdays, Sundays and Legal Holidays; Pacific Standard Time Zone . . . . .	11
Section 6.11. Execution in Several Counterparts . . . . .	11
Section 6.12. Governing Law . . . . .	11

THIS OWNER PARTICIPATION AGREEMENT, made and entered into as of October 1, 1995, by and between the LONG BEACH AQUARIUM OF THE PACIFIC (the "Corporation"), formerly known as the Genesis Long Beach Foundation, a non-profit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "State"), and THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a public body, corporate and politic, organized and existing under and by virtue of the laws of the State (the "Agency"),

W I T N E S S E T H:

WHEREAS, the Corporation has entered into a ground lease, dated as of October 1, 1995 (the "Ground Lease") with the City of Long Beach (the "City") under which the Corporation has leased certain real property in the Queensway Bay area of the City (as more particularly described in Exhibit A thereto, the "Site"); and

WHEREAS, the Site is within the Agency's Downtown Redevelopment Project Area (the "Project Area"); and

WHEREAS, the Corporation has determined to participate in the redevelopment of the Project Area by constructing and operating an aquarium facility (as defined herein, the "Project") on the Site; and

WHEREAS, the Corporation has determined to issue not to exceed \$130,000,000 aggregate principal amount of its Revenue Bonds (Aquarium of the Pacific Project) 1995 Series A and 1995 Series B, Taxable (collectively, the "Bonds") to finance the Project pursuant to an indenture of trust, dated as of October 1, 1995 (the "Indenture"), by and between the Corporation and U.S. Trust Company of California, N.A., as trustee (the "Trustee"); and

WHEREAS, the Project will assist in accomplishing the redevelopment of the Project Area and is consistent with the goals and objectives of the Redevelopment Plan for the Project Area; and

WHEREAS, in consideration of the undertaking by the Corporation to construct, operate and maintain the Project, the Agency has determined to assist the Corporation in issuing the Bonds by making available to the Trustee certain transient occupancy taxes as additional security for the Bonds in the event that the revenues of the Project are insufficient to pay debt service thereon; and

WHEREAS, all acts, conditions and things required by the laws of the State and the rules of the Agency to exist, to have happened and to have been performed precedent to and in connection with this Owner Participation Agreement exist, have happened, and have been performed in regular and due time, form and manner as required by law and the rules of the Agency, and the Agency and the Corporation are now duly authorized and

empowered, pursuant to each and every requirement of law and the rules of the Agency, to enter into this Owner Participation Agreement;

NOW, IN CONSIDERATION OF THE PREMISES AND THE PROMISES HEREIN CONTAINED, THE AGENCY AND THE CORPORATION DO HEREBY AGREE AS FOLLOWS:

## ARTICLE I

### DEFINITIONS; CERTIFICATES

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Agreement have the meanings herein specified in the Indenture, to be equally applicable to both the singular and plural forms of any of the terms therein defined.

## ARTICLE II

### THE PROJECT

Section 2.01. Construction of the Project. The Corporation will acquire and construct the Project in a sound and economical manner, with all practicable dispatch, and such improvements shall be made in an expeditious manner and in conformity with law so as to complete the same as soon as possible. The Corporation agrees to comply with the "Percent for Public Art Guidelines" adopted pursuant to resolution by the Agency.

Section 2.02. Operation of the Project. The Corporation will operate the Project as an aquarium facility open to the public.

Section 2.03. Maintenance of the Project. The Corporation will maintain and preserve the Project in good repair and working order at all times from the Gross Revenues available for such purposes, in conformity with prudent management and standards customarily followed in the aquarium industry for aquaria of like size and character. The Corporation will from time to time make all necessary and proper repairs, renewals, replacements and substitutions to the Project, so that at all times business carried on in connection with the Project shall and can be properly and advantageously conducted in an efficient manner and at reasonable cost. The Corporation will operate the Project in an efficient and economical manner so as to assure that the Project shall be financially self-sufficient and self-sustaining. The Corporation shall not commit or allow any waste with respect to the Project.

Section 2.04. Compliance with Indenture, City Pledge Agreement and Ground Lease. The Corporation will comply with all of its obligations under the Indenture, the City Pledge Agreement and the Ground Lease.

Section 2.05. Nondiscrimination. In the construction, operation and maintenance of the Project, the Corporation covenants that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Project nor shall the Corporation itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number use or occupancy of patrons, tenants, lessees, sublessees, subtenants, or vendees in the Project.

Section 2.06. Development Agreement. The Corporation will cause the Project to be built pursuant to the Development Agreement, which has been negotiated by the Corporation and the Developer without competitive bidding. The Agency shall have no rights or interest in the Project and the Project is not a "public work" for purposes of the Public Contract Code of the State or the Labor Code of the State.

### ARTICLE III

#### AGENCY PAYMENTS

Section 3.01. Pledge of Hotel Taxes. Subject only to the provisions of this Owner Participation Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, there are hereby pledged to the Trustee for the benefit of the Bondholders to secure the payment of the Agency Payments required to be paid pursuant to Section 3.03, all of the Hotel Taxes and all amounts in the Agency Aquarium Account established pursuant to Section 3.02. Said pledge shall constitute a first lien on and security interest in the Hotel Taxes and amounts in the Agency Aquarium Account and, to the fullest extent permitted by law, shall attach, be perfected and be valid and binding from and after the effective date hereof, without any physical delivery thereof or further act; provided, however, that the Agency acknowledges that the Trustee shall file a Form UCC-1 financing statement with regard to this Agreement pursuant to the California Commercial Code.

Section 3.02. Agency Aquarium Account. There is hereby created a fund to be held by the Agency and to be designated the "Agency Aquarium Account." Upon delivery to the Agency by the Trustee of a Deficiency Notice as provided in the Indenture, the Agency shall immediately deposit in the Agency Aquarium Account an amount of Hotel Taxes which, together with amounts then on deposit in the Agency Aquarium Account, is equal to the lesser of (i) the total cumulative amount of the deficiency as specified in said Deficiency Notice, or (ii) the total amount of Hotel Taxes then held by the Agency. In the event that said deposit is less than the total cumulative amount of such deficiency, the

Agency shall deposit to the Agency Aquarium Account the first Hotel Taxes received by the Agency until the amount in the Agency Aquarium Account is equal to the total cumulative amount of such deficiency. Upon making any deposit to the Agency Aquarium Account, the Agency shall immediately send written notice to the City and the Trustee stating the amount of such deposit and the total amount then on deposit in the Agency Aquarium Account.

Amounts in the Agency Aquarium Account shall be held by the Agency in trust for the benefit of the Bondholders and the Trustee, and shall not be disbursed except as provided in Section 3.03. Amounts in the Agency Aquarium Account shall be invested only in Investment Securities having a maturity on or before the twentieth day of the month immediately preceding the next Interest Payment Date. All earnings on amounts in the Agency Aquarium Account shall be retained in the Agency Aquarium Account.

Section 3.03. Agency Payments; Release of Moneys from Agency Aquarium Account. (A) On the twentieth day of the month immediately preceding each Interest Payment Date, upon request, if any, from the Trustee as provided in Section 5.01(B)(2) of the Indenture, the Agency shall withdraw from the Agency Aquarium Account and transfer to the Trustee, by wire transfer in immediately available funds, the lesser of (i) the amount specified in such request or (ii) the total amount then on deposit in the Agency Aquarium Account. On or after each Interest Payment Date, the Agency may withdraw all or any part of the amounts on deposit in the Agency Aquarium Account to be used for any lawful purpose of the Agency.

(B) Prior to the completion of the Project, in the event that the Corporation must pay costs under the Development Agreement not otherwise funded, the Agency hereby agrees to pay such costs from Hotel Taxes upon the demand of the Corporation, provided such demand is accompanied by copies of appropriate invoices or other evidence of amounts due.

Section 3.04. Corporation Reimbursements. The Corporation shall reimburse the Agency from the first available Gross Revenues, as provided in Section 5.07 of the Indenture, for any Agency Payments made to the Trustee pursuant to Section 3.03, together with interest thereon from the date of such Agency Payments to the date of reimbursement at a rate of interest per annum equal to the rate earned on the City Treasurer's Investment Pool, as determined by the City Treasurer. Any reimbursements shall be applied first to interest and then to the principal amount of such payments in inverse order of payment. Notwithstanding any other provision hereof, any reimbursement obligation of the Corporation hereunder shall survive the termination of this Owner Participation Agreement.

Section 3.05. Consent of Assignment. The Agency hereby consents to the Corporation's pledge, assignment and transfer to the Trustee, as set forth in Section 5.14 of the Indenture, of all of its right, title and interest in this Owner Participation Agreement and the revenues, receipts and collections hereunder, as security for the payment of the principal of and interest on the Bonds, and acknowledges that the covenants and agreements contained herein are for the benefit of the registered owners from time to time of the Bonds and may

be enforced on their behalf by the Trustee or directly by the Bondholders, to the extent permitted by the Indenture.

#### ARTICLE IV

##### COVENANTS OF THE AGENCY

Section 4.01. Against Encumbrances. The Agency shall not, during the term of this Owner Participation Agreement, create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Hotel Taxes or the Agency Aquarium Account senior to or on a parity with the pledge and lien created hereby except the pledge created by this Owner Participation Agreement, and shall not issue or enter into any obligations secured by such pledge other than this Owner Participation Agreement.

Section 4.02. Accounting Records and Financial Statements. The Agency shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all transactions relating to the Hotel Taxes and the Agency Aquarium Account. The Agency shall provide to the Trustee and the Corporation within 150 days following the end of each Fiscal Year with a summary of the Hotel Taxes received, Agency Payments made, funds invested and the results thereof and reimbursement obligations outstanding pursuant to Section 3.04. Such books of record and account kept by the Agency shall be available for inspection by the Corporation, the Trustee or any Credit Provider or agent or representative thereof duly authorized in writing, in each case at reasonable hours and under reasonable circumstances. The Agency shall provide to any Credit Provider such additional information as may be reasonably requested by such Credit Provider concerning the sources and amounts of Hotel Taxes.

The Agency shall file with the Trustee and any Credit Provider, and furnish to each major national investment rating service which initially rated any series of Bonds and to each Bondholder who shall have filed a name and address with the Agency for such purpose, within six months after the close of each Fiscal Year during the term hereof, (commencing with the Fiscal Year ending September 30, 1996), complete financial statements with respect to the Hotel Taxes prepared in accordance with generally accepted accounting principles for governmental entities, covering receipts, disbursements, allocation and application of all Hotel Taxes for such Fiscal Year, including a statement of revenues, expenditures and fund balances, balance sheet and statement of cash position, accompanied by an audit report and opinion of an Independent certified public accountant of nationally recognized status in the United States of America. The Agency may comply with this requirement by filing its general purpose audited financial statements if they include all information required to be included under this Section with respect to Hotel Taxes and the Agency Aquarium Account.

Section 4.03. Maintenance of Powers. The Agency shall at all times maintain the powers, functions, duties and obligations now reposed in it pursuant to law and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the Agency Payments or the observance of any of the covenants herein contained.

Section 4.04. Continuation and Enforcement of Hotel Taxes. The Agency shall not repeal, amend or otherwise modify the Ordinance in any way which would materially reduce the amount, or delay the receipt, of Hotel Taxes by the Agency. The Agency shall not grant any refunds, extensions or waivers of the obligation to pay Hotel Taxes except as provided in the Ordinance.

Section 4.05. Compliance with Agreement, Contracts, Laws and Regulations. The Agency shall faithfully observe and perform all the covenants, conditions and requirements of this Owner Participation Agreement, shall not issue or enter into any obligations secured by or payable from Hotel Taxes in any manner other than in accordance with this Owner Participation Agreement, and shall not take any action that would permit any default to occur hereunder, or do or permit to be done, anything that might in any way weaken, diminish or impair the security intended to be given pursuant to this Owner Participation Agreement. Subject to the limitations and consistent with the covenants, conditions and requirements contained in this Owner Participation Agreement, the Agency shall comply with the terms, covenants and provisions, express or implied, of all contracts concerning or affecting the application of the Hotel Taxes. The Agency shall comply promptly, fully and faithfully with and abide by any statute, law, ordinance, order, rule or regulation, judgment, decree, direction or requirement now in force or hereafter enacted, adopted, prescribed, imposed or entered by any competent governmental authority or agency applicable to or affecting the Hotel Taxes.

Section 4.06. Prosecution and Defense of Suits. The Agency shall defend against every suit, action or proceeding at any time brought against the Agency upon any claim arising out of the receipt, application or disbursement of any of the Hotel Taxes or involving the rights of the Trustee or the Corporation under this Owner Participation Agreement; provided, that the Trustee or any Bondholder at its election may appear in and defend any such suit, action or proceeding. The Agency shall, to the extent permitted by law, indemnify and hold harmless the Trustee and the Bondholders against any and all liability claimed or asserted by any person arising out of such receipt, application or disbursement, and shall indemnify and hold harmless the Bondholders against any attorneys' fees or other expenses which any of them may incur in connection with any litigation to which any of them may become a defendant by reason of his ownership of Bonds. The Agency to the extent permitted by law, shall promptly reimburse any Bondholder in the full amount of any attorneys' fees or other expenses which he may incur in litigation or otherwise in order to enforce his rights under this Owner Participation Agreement, if such litigation is concluded favorably to such Bondholder's contentions therein. Notwithstanding any contrary provision hereof, this Section shall remain in full force and effect, even though all indebtedness and obligations issued hereunder may have been fully paid and satisfied, until the Agency shall have been deactivated.

Section 4.07. Further Assurances. The Agency will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Owner Participation Agreement and for the better assuring and confirming unto the Corporation and the Trustee of the rights and benefits provided in this Owner Participation Agreement.

Section 4.08. Continuing Disclosure. The Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Owner Participation Agreement, failure of the Agency to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Corporation is directed to take (or the Trustee or any bondholder may take) such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Agency to comply with its obligations under this Section 4.08.

## ARTICLE V

### EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Events of Default. The following events shall be Events of Default:

(a) default by the Agency in the due and punctual payment of Agency Payments when and as the same shall become due and payable; or default by the Agency in making the deposits to the Agency Aquarium Account required pursuant to Section 3.02;

(b) default by the Agency or the Corporation in the observance of any of the covenants, agreements or conditions on its part in this Owner Participation Agreement contained, if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Corporation by the Agency or the Trustee, or to the Agency by the Corporation or the Trustee, or to the Agency or the Corporation by any Credit Provider or by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding; except that, if such default can be remedied but not within such sixty (60) day period and if the Corporation or the Agency, as the case may be, has taken all action reasonably possible to remedy such default within such sixty (60) day period, such default shall not become an Event of Default hereunder for so long as the Corporation or the Agency, as the case may be, shall diligently proceed to remedy same; or

(c) an Event of Bankruptcy.

Section 5.02. Remedies. If any Event of Default shall have occurred and be continuing, the nondefaulting party and the Trustee shall have the right --

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Agency or the Corporation, as the case may be or any officer, director, member or employee of the Agency or the Corporation and to compel the Agency or the Corporation or any such officer, director, member or employee of the Agency or the Corporation to observe or perform its or his duties under applicable law and the agreements, conditions, covenants and terms contained herein required to be observed or performed by it or him;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the nondefaulting party or the Trustee or the Bondholders; or

(c) by suit in equity upon the happening of any default hereunder to require the Agency or the Corporation and the members, officers, employees and directors of the Agency or the Corporation to account as the trustee of an express trust.

Section 5.03. Non-Waiver. A waiver by the Agency, Corporation or Trustee of any default hereunder or breach of any obligation hereunder shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Agency, the Corporation or the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Agency, the Corporation or the Trustee by applicable law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Agency, the Corporation or the Trustee, the Agency, the Corporation and the Trustee shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 5.04. Remedies Not Exclusive. No remedy conferred herein upon or reserved herein to the Agency, the Corporation or the Trustee is intended to be exclusive and all remedies shall be cumulative and each remedy shall be in addition to every other remedy given hereunder or now or hereafter existing under applicable law or equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other applicable law.

Section 5.05. Absolute Obligation of Agency. Nothing contained in this Owner Participation Agreement shall affect or impair the obligation of the Agency, which is absolute and unconditional, to make the Agency Payments and the deposits to the Agency Aquarium Account required by Section 3.02 to the Trustee as herein provided, but only out of the Hotel Taxes and other assets herein pledged therefor, as and to the extent set forth herein, or affect or impair the right of the Trustee, which is also absolute and unconditional, to enforce such payment by virtue of this Owner Participation Agreement.

## ARTICLE VI

### TERM; MISCELLANEOUS

Section 6.01. Term of Agreement. The term of this Owner Participation Agreement shall commence on the date of initial issuance of the Bonds. This Owner Participation Agreement shall terminate upon the payment in full of all of the Bonds or the discharge of the liability thereon pursuant to Article X of the Indenture.

Section 6.02. Liability of Agency Limited to Hotel Taxes. The obligations of the Agency hereunder are limited obligations of the Agency and are not a lien or charge upon the funds or property of the Agency, except to the extent provided herein with respect to Hotel Taxes. Notwithstanding anything herein contained, the Agency shall not be required to advance any moneys derived from any source other than the Hotel Taxes and other funds pledged hereunder for any of the purposes in this Owner Participation Agreement mentioned. Nevertheless, the Agency may, but shall not be required to, advance for any of the purposes hereof any funds of the Agency which may be made available to it for such purposes.

Section 6.03. Successor Is Deemed Included in All References to Predecessor. Whenever in this Owner Participation Agreement the Corporation, the Agency, or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements herein by or on behalf of the Corporation, the Agency, or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 6.04. Third Party Beneficiaries; Limitation of Rights to Parties, Trustee, Bondholders and Credit Providers. To the extent that this Owner Participation Agreement confers upon or gives or grants to the Trustee, the Bondholders or any Credit Providers any right, remedy or claim under or by reason of the Owner Participation Agreement, the Trustee, Bondholders and Credit Providers are hereby explicitly recognized as each being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

Nothing in this Owner Participation Agreement expressed or implied is intended or shall be construed to give to any person other than the Corporation, Agency, the Trustee, any Credit Providers and the Owners of the Bonds any legal or equitable right, remedy or claim under or in respect of this Owner Participation Agreement or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Corporation, the Agency, the Trustee, any Credit Providers and the Owners of the Bonds.

Section 6.05. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**Section 6.06. Severability of Invalid Provisions.**

If any one or more of the provisions contained in this Owner Participation Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Owner Participation Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Owner Participation Agreement, and this Owner Participation Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Corporation and the Agency hereby declare that they would have entered into this Owner Participation Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Owner Participation Agreement may be held illegal, invalid or unenforceable.

**Section 6.07. Notices.** Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the principal corporate trust office of the Trustee at U.S. Trust Company of California, N.A., 515 South Flower Street, Suite 2700, Los Angeles, California 90071-2291, Attention: Corporate Trust Department or at such other address as may have been provided in writing by the Trustee to the Corporation and any Credit Provider.

Any notice to or demand upon the Agency may be served or presented, and such demand may be made, at the office of the Agency, 333 West Ocean Blvd., Long Beach, CA 90802, Attention: Executive Director, or at such other address as may have been provided in writing by the Agency to the Trustee, the Corporation and any Credit Provider.

Any notice to or demand upon the Corporation shall be deemed to have been sufficiently given or served for all purposes by being delivered and received at the Office of the Corporation, 111 West Ocean Blvd, Suite 1240, Long Beach, CA 90802, Attention: Treasurer, or at such other address as may have been filed in writing by the Corporation with the Trustee and any Credit Provider.

**Section 6.08. Article and Section Headings and References.** The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Owner Participation Agreement.

All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Owner Participation Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Owner Participation Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of any gender shall mean and include words of the other genders.

Section 6.09. Waiver of Personal Liability. No legislator, officer, agent or employee of the Corporation or the Agency shall be individually or personally liable for payment hereunder, but nothing herein contained shall relieve any such legislator, officer, agent or employee from the performance of any official duty provided by law.

Section 6.10. Saturdays, Sundays and Legal Holidays: Pacific Standard Time Zone. If either party hereto is required to perform, pursuant to a provision of this Owner Participation Agreement, any act on a date which falls on a Saturday, Sunday or legal holiday, the party required to perform such act shall be deemed to have performed it in a timely manner, and in conformance with such provision, if it shall perform such act on the next succeeding Business Day. All date and day references herein refer to the Pacific Standard Time Zone.

Section 6.11. Execution in Several Counterparts. This Owner Participation Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Corporation and the Agency shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 6.12. Governing Law. The rights and duties of the parties to this Indenture shall be governed by the laws of the State.

IN WITNESS WHEREOF, the LONG BEACH AQUARIUM OF THE PACIFIC has caused this Owner Participation Agreement to be signed in its name by the Chairman and Secretary of its Board of Directors, under its seal and the REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH has caused this Owner Participation Agreement to be signed in its corporate name by its Chair and attested by its Secretary under its seal, all as of the day and year first above written.

LONG BEACH AQUARIUM OF THE PACIFIC

By *James H. Gray*  
Chairman

By *Russell Hill*  
Vice Chairman, Finance

[SEAL]

Attest:  
*[Signature]*  
Secretary

REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

By *[Signature]*  
Executive Director

[SEAL]

Attest:  
*[Signature]*  
Secretary

APPROVED AS TO FORM

11/13, 1995  
JOHN T. CALYOUN, City Attorney  
of the City of Long Beach  
Attorney for the Redevelopment Agency  
of the City of Long Beach, California

By *[Signature]*  
PRINCIPAL CLERK

# EXHIBIT B

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AMENDED AND RESTATED  
OWNER PARTICIPATION AGREEMENT

by and among

THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH,

LONG BEACH BOND FINANCE AUTHORITY

and

AQUARIUM OF THE PACIFIC,  
a California nonprofit public benefit corporation

in favor of

U.S. BANK TRUST NATIONAL ASSOCIATION,  
as Trustee

Dated as of April 1, 2001

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TABLE OF CONTENTS  
(continued)

	Page
Section 5.09. Article and Section Headings and References .....	8
Section 5.10. Waiver of Personal Liability .....	8
Section 5.11. Saturdays, Sundays and Legal Holidays; Pacific Time Zone .....	9
Section 5.12. Execution in Several Counterparts .....	9
Section 5.13. Governing Law .....	9

THIS AMENDED AND RESTATED OWNER PARTICIPATION AGREEMENT, made and entered into as of April 1, 2001 (this "Agreement"), by and among THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a public body, corporate and politic, organized and existing under and by virtue of the laws of the State of California (the "Agency"), the LONG BEACH BOND FINANCE AUTHORITY, a California joint powers authority (the "Authority"), and AQUARIUM OF THE PACIFIC, a California non-profit public benefit corporation (the "Corporation") in favor of U.S. BANK TRUST NATIONAL ASSOCIATION, as trustee under the Indenture hereinafter defined (the "Trustee").

WITNESSETH:

WHEREAS, the Authority has entered into the Site Lease, dated as of April 1, 2001 (the "Site Lease"), with the City of Long Beach, California (the "City") under which the Authority has leased certain real property located in the City and the buildings and improvements thereon comprising the Aquarium of the Pacific (the "Facility"); and

WHEREAS, the Authority has determined to issue \$129,520,000 aggregate principal amount of its Lease Revenue Refunding Bonds (Aquarium of the Pacific Project) Series 2001 (the "Bonds") pursuant to an Indenture, dated as of April 1, 2001 (the "Indenture"), by and between the Authority and the Trustee; and

WHEREAS, the Authority will use the proceeds of the Bonds to acquire the leasehold interest in the Facility, and will lease the Facility to the Corporation under the terms of a Lease Agreement, dated as of April 1, 2001 (the "Lease"), who will operate the Facility and make rental payments to the Authority, which payments will secure payment of the Bonds;

WHEREAS, the Facility is located within the Agency's Downtown Redevelopment Project Area (the "Project Area") and is consistent with the goals and objectives of the Redevelopment Plan for the Project Area; and

WHEREAS, in consideration of the undertakings by the Authority and the Corporation with respect to the Facility, the Agency has determined to assist the Authority in issuing the Bonds by making available to the Trustee certain transient occupancy taxes as additional security for payment of the Bonds in the event that the revenues of the Facility are insufficient to pay debt service thereon; and

WHEREAS, all acts, conditions and things required by the laws of the State of California and the rules of the Agency to exist, to have happened and to have been performed precedent to and in connection with this Agreement 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 and empowered to enter into this Agreement;

NOW, IN CONSIDERATION OF THE PREMISES AND THE PROMISES HEREIN CONTAINED, THE AGENCY, THE AUTHORITY AND THE CORPORATION DO HEREBY AGREE AS FOLLOWS:

## ARTICLE I

### DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, capitalized terms herein shall for all purposes of this Agreement have the meanings given such terms in Section 1.01 of the Indenture.

## ARTICLE II

### AGENCY PAYMENTS

Section 2.01. Pledge of Hotel Taxes. Subject only to the provisions of this Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, there are hereby pledged to the Trustee for the benefit of the Bondholders to secure the payment of the Agency Payments required to be paid pursuant to Section 2.03 hereof for the term of this Agreement, all Hotel Taxes and all amounts in the Agency Aquarium Account established pursuant to Section 2.02 hereof. Said pledge shall constitute a first lien on and security interest in the Hotel Taxes and amounts in the Agency Aquarium Account and, to the fullest extent permitted by law, shall attach, be perfected and be valid and binding from and after the effective date hereof, without any physical delivery thereof or further act; provided, however, that the Agency acknowledges that the Trustee shall file a Form UCC-1 financing statement as provided for in the California Commercial Code.

Section 2.02. Agency Aquarium Account. There is hereby created a fund to be held by the Agency and to be designated the "Agency Aquarium Account." Upon delivery to the Agency by the Trustee of a Deficiency Notice as provided in the Indenture, the Agency shall immediately cause to be deposited in the Agency Aquarium Account an amount of Hotel Taxes equal to the lesser of (i) the total cumulative amount of the deficiency as specified in said Deficiency Notice, or (ii) the total amount of Hotel Taxes then held by the Agency. In the event that the amount on deposit in the Agency Aquarium Account is less than the total cumulative amount of the deficiency specified in the Deficiency Notice, the Agency shall deposit to the Agency Aquarium Account the first Hotel Taxes received thereafter by the Agency until the amount in the Agency Aquarium Account is equal to the total cumulative amount of such deficiency. Upon making any deposit to the Agency Aquarium Account, the Agency shall immediately send written notice to the Trustee stating the amount of such deposit and the total amount then on deposit in the Agency Aquarium Account.

Amounts in the Agency Aquarium Account shall be held by the Agency in trust for the benefit of the Bondholders and the Trustee, and shall not be disbursed except as provided in Section 2.03. Amounts in the Agency Aquarium Account shall be invested only in Investment Securities that mature on or before the twentieth-fifth day of the month immediately preceding the next Interest Payment Date. All earnings on amounts in the Agency Aquarium Account shall be retained in the Agency Aquarium Account.

Section 2.03. Agency Payments: Release of Moneys from Agency Aquarium Account. On the twentieth-fifth day of the month immediately preceding each Interest Payment

Date, upon request from the Trustee as provided in Section 5.01(B) of the Indenture, the Agency shall withdraw from the Agency Aquarium Account and transfer to the Trustee, by wire transfer in immediately available funds, the lesser of (i) the amount specified in such request from the Trustee or (ii) the total amount then on deposit in the Agency Aquarium Account. After receipt of a Deficiency Notice reflecting a cumulative deficiency in an amount less than the amount then on deposit in the Agency Aquarium Account, the Agency may withdraw such excess amount on deposit in the Agency Aquarium Account, and on or after each Interest Payment Date, the Agency may withdraw all or any part of the amounts on deposit in the Agency Aquarium Account, which withdrawn amounts, in either case, may be used by the Agency for any lawful purpose of the Agency.

Section 2.04. Reimbursement of Agency Payments. The Agency shall be reimbursed for any Agency Payment made to the Trustee pursuant to Section 2.03 of this Agreement, together with interest thereon from the date of such Agency Payment to the date of reimbursement at a rate of interest per annum equal to the rate earned on the City Treasurer's Investment Pool, as determined by the City Treasurer, from the first Revenues available therefor, as provided in Section 5.02(f) of the Indenture, unless the Agency consents to the use of such available Revenues for another Facility-related purpose, as provided in said Section 5.02(f). The Agency's consent to an alternate use of Revenues is not a waiver of the Authority's obligation to reimburse any amount due hereunder, and the Authority shall remain obligated to reimburse such Agency Payment or portion thereof from available Revenues. Any reimbursements shall be applied first to interest and then to the principal amount of such Agency Payments in inverse order of payment. Notwithstanding any other provision hereof, any reimbursement obligation of the Authority hereunder shall survive the termination of this Agreement.

Section 2.05. Consent to Assignment. The Agency hereby consents to the Authority's pledge, assignment and transfer to the Trustee, as set forth in Section 5.01 of the Indenture, of all of its right, title and interest in this Agreement and the revenues, receipts and collections hereunder, as security for the payment of the principal of and interest on the Bonds, and acknowledges that the covenants and agreements contained herein are for the benefit of the registered owners from time to time of the Bonds and may be enforced on their behalf by the Trustee or directly by the Bondholders, to the extent permitted by the Indenture.

### ARTICLE III

#### COVENANTS OF THE AGENCY

Section 3.01. Against Encumbrances. The Agency shall not, during the term of this Agreement, create or permit the creation of any pledge, lien, charge or other encumbrance upon the Hotel Taxes or the Agency Aquarium Account senior to or on a parity with the pledge and lien created hereby, and shall not issue or enter into any obligations secured by such pledge other than this Agreement.

Section 3.02. Accounting Records and Financial Statements. The Agency shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all transactions relating to the Hotel Taxes and the Agency Aquarium Account. The Agency shall provide to the Trustee, the Authority and the Corporation,

within 180 days following the end of each Fiscal Year, a summary of the Hotel Taxes received during such Fiscal Year, the Agency Payments made, funds invested and the results thereof and reimbursement obligations outstanding pursuant to Section 2.04 of this Agreement. Such books of record and account kept by the Agency shall be available for inspection by the Trustee, the Authority or any agent or representative thereof duly authorized in writing, in each case at reasonable hours and under reasonable circumstances.

The Agency shall file with the Trustee, within six months after the close of each Fiscal Year during the term hereof, complete financial statements with respect to the Hotel Taxes prepared in accordance with generally accepted accounting principles for governmental entities, covering receipts, disbursements, allocation and application of all Hotel Taxes for such Fiscal Year, including a statement of revenues, expenditures and fund balances, balance sheet and statement of cash position, accompanied by an audit report and opinion of an independent certified public accountant. The Agency may comply with this requirement by filing its general purpose audited financial statements if they include all information required to be included under this Section with respect to Hotel Taxes and the Agency Aquarium Account.

Section 3.03. Maintenance of Powers. The Agency shall at all times maintain the powers, functions, duties and obligations now reposed in it pursuant to law and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the Agency Payments or the observance of any of the covenants contained herein.

Section 3.04. Continuation and Enforcement of Hotel Taxes. The Agency shall not repeal, amend or otherwise modify the Ordinance in any way that would materially reduce the amount of or delay the receipt of Hotel Taxes by the Agency. The Agency shall not grant any refunds, extensions or waivers of the obligation to pay Hotel Taxes, except as provided in the Ordinance.

Section 3.05. Compliance with Agreement, Contracts, Laws and Regulations. The Agency shall faithfully observe and perform all the covenants, conditions and requirements of this Agreement and shall not take any action that would permit any default to occur hereunder, or do or permit to be done, anything that might in any way dilute, diminish or impair the security intended to be given pursuant to this Agreement. Subject to the limitations and consistent with the covenants, conditions and requirements contained in this Agreement, the Agency shall comply with the terms, covenants and provisions, express or implied, of all contracts concerning or affecting the application of the Hotel Taxes. The Agency shall comply promptly, fully and faithfully with and abide by any statute, law, ordinance, order, rule or regulation, judgment, decree, direction or requirement now in force or hereafter enacted, adopted, prescribed, imposed or entered by any competent governmental authority or agency applicable to or affecting the Hotel Taxes.

Section 3.06. Prosecution and Defense of Suits. The Agency shall defend against every suit, action or proceeding at any time brought against the Agency upon any claim arising out of the receipt, application or disbursement of any of the Hotel Taxes or involving the rights of the Trustee or the Authority under this Agreement; provided, that the Trustee or any Bondholder at its election may appear in and defend any such suit, action or proceeding. The Agency shall, to the extent permitted by law, indemnify and hold harmless the Trustee and the Bondholders against any and all liability claimed or asserted by any person arising out of such receipt, application or

disbursement, and shall indemnify and hold harmless the Bondholders against any attorneys' fees or other expenses which any of them may incur in connection with any litigation to which any of them may become a defendant by reason of his ownership of Bonds. The Agency shall, to the extent permitted by law, promptly reimburse any Bondholder in the full amount of any attorneys' fees or other expenses which he may incur in litigation or otherwise in order to enforce his rights under this Agreement, if such litigation is concluded favorably to such Bondholder's contentions therein.

Section 3.07. Further Assurances. The Agency will make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention of or to facilitate the performance of this Agreement and to assure the Trustee and the Authority of the rights and benefits provided in this Agreement.

Section 3.08. Continuing Disclosure. The Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Agreement, failure of the Agency to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; however, the Trustee or any Bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Agency to comply with its obligations under the Continuing Disclosure Agreement.

#### ARTICLE IV

#### EVENTS OF DEFAULT AND REMEDIES

Section 4.01. Events of Default. Each of the following events shall be an "Event of Default" under this Agreement:

(a) default by the Agency in the due and punctual payment of Agency Payments when and as the same shall become due and payable; or default by the Agency in making the deposits to the Agency Aquarium Account required pursuant to Section 2.02 of this Agreement;

(b) default by the Agency in the observance of any of the covenants, agreements or conditions on its part in this Agreement contained, if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Agency by the Authority or the Trustee or by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding; except that, if such default can be remedied but not within such sixty (60) day period and if the Agency has taken all action reasonably possible to remedy such default within such sixty (60) day period, such default shall not become an Event of Default hereunder for so long as the Agency shall diligently proceed to remedy same; or

(c) an Event of Bankruptcy.

Section 4.02. Remedies. If an Event of Default shall have occurred and be continuing, the Authority and the Trustee shall have the right --

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Agency or any such officer, director, member or employee of the

Agency and to compel the Agency or any such officer, director, member or employee of the Agency to observe or perform such duties under applicable law and the agreements, conditions, covenants and terms contained herein required to be observed or performed by the Agency;

(b) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Authority, the Trustee or the Bondholders; or

(c) by suit in equity upon the happening of any default hereunder to require the Agency and the members, officers, employees and directors of the Agency to account as the trustee of an express trust.

Section 4.03. Non-Waiver. A waiver by the Authority or Trustee of any default hereunder or breach of any obligation hereunder shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Authority or the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Authority and the Trustee by applicable law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Authority or the Trustee, the Authority and the Trustee shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 4.04. Remedies Not Exclusive. No remedy conferred herein upon or reserved herein to the Authority or the Trustee is intended to be exclusive and all remedies shall be cumulative and each remedy shall be in addition to every other remedy given hereunder or now or hereafter existing under applicable law or equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other applicable law.

Section 4.05. Absolute Obligation of Agency. Nothing contained in this Agreement shall affect or impair the obligations of the Agency, which are absolute and unconditional, to make the Agency Payments and the deposits to the Agency Aquarium Account required by Section 2.02 of this Agreement to the Trustee as herein provided, but only from the Hotel Taxes and other assets herein pledged therefor, as and to the extent set forth herein, or affect or impair the right of the Trustee, which is also absolute and unconditional, to enforce such payment by virtue of this Agreement.

## ARTICLE V

### TERM; MISCELLANEOUS

Section 5.01. Term of Agreement. This Agreement shall terminate upon the payment in full of all of the Bonds or the discharge of the liability thereon pursuant to Article X of the Indenture.

Section 5.02. Liability of Agency Limited to Hotel Taxes. The obligations of the Agency hereunder are limited obligations of the Agency and are not a lien or charge upon the funds or property of the Agency, except to the extent provided herein with respect to Hotel Taxes. Notwithstanding anything contained herein to the contrary, the Agency shall not be required to advance any moneys derived from any source other than the Hotel Taxes and other funds pledged hereunder for any of the purposes of this Agreement. Nevertheless, the Agency may, but shall not be required to, advance for any of the purposes hereof any funds of the Agency that may be made available to it for such purposes.

Section 5.03. Successor Is Deemed Included in All References to Predecessor. Whenever in this Agreement the Authority, the Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements herein by or on behalf of the Authority, the Agency, or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 5.04. Third Party Beneficiaries: Limitation of Rights to Parties, Trustee and Bondholders. To the extent that this Agreement confers upon or gives or grants to the Trustee or the Bondholders any right, remedy or claim under or by reason of this Agreement, the Trustee and the Bondholders are hereby explicitly recognized as each being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder. The Bond Insurer is intended to be and shall be a third-party beneficiary of this Agreement, and shall have the right (but not the obligation) to enforce, separately or jointly with the Trustee, or to cause the Trustee to enforce, the terms of this Agreement and to pursue any available remedy at law or in equity in accordance with Section 4.02 hereof.

Nothing in this Agreement expressed or implied is intended or shall be construed to give to any person other than the Authority, the Corporation, the Trustee, the Bond Insurer and the Owners of the Bonds any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or provision herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Corporation, the Trustee, the Bond Insurer and the Owners of the Bonds.

Section 5.05. Waiver of Notice. Whenever in this Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 5.06. Restatement of Agreement. The parties hereto intend that this Agreement shall be an amendment and restatement of the Owner Participation Agreement, dated as of October 1, 1995, between the Agency and the Corporation (the "Prior Agreement"), in its entirety and the Prior Agreement shall, after execution of this Agreement, have no force or effect. The Agency acknowledges that as of the effective date of this Agreement, the Corporation has no liability to the Agency under the Prior Agreement.

Section 5.07. Severability of Invalid Provisions. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the

remaining provisions contained in this Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority, the Corporation and the Agency hereby declare that they would have entered into this Agreement and each and every other section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 5.08. Notices. Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the principal corporate trust office of the Trustee at U.S. Bank Trust National Association, 550 S. Hope Street, Suite 500, Los Angeles, California 90071, Attention: Corporate Trust Department, or at such other address as may have been provided in writing by the Trustee to the Authority, the Corporation and the Agency.

Any notice to or demand upon the Agency may be served or presented, and such demand may be made, at the office of the Agency, 333 West Ocean Blvd., Long Beach, CA 90802, Attention: Executive Director, or at such other address as may have been provided in writing by the Agency to the Trustee, the Corporation and the Authority.

Any notice to or demand upon the Authority shall be deemed to have been sufficiently given or served for all purposes by being delivered and received at the Office of the Authority, c/o City of Long Beach, 333 West Ocean Blvd., 6th Floor, Long Beach, CA 90802, Attention: Executive Director, or at such other address as may have been filed in writing by the Authority with the Trustee, the Corporation and the Agency.

Any notice to or demand upon the Corporation may be served or presented, and such demand may be made, at the office of the Corporation, 310 Golden Shore, Suite 300, Long Beach, CA 90802, Attention: Chief Executive Officer, or at such other address as may have been provided in writing by the Corporation to the Trustee, the Agency and the Authority.

Section 5.09. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement.

All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of any gender shall mean and include words of the other genders.

Section 5.10. Waiver of Personal Liability. No officer, agent or employee of the Authority or the Agency shall be individually or personally liable for payment hereunder, but nothing herein contained shall relieve any such legislator, officer, agent or employee from the performance of any official duty provided by law.

Section 5.11. Saturdays, Sundays and Legal Holidays: Pacific Time Zone. If either party hereto is required to perform, pursuant to a provision of this Agreement, any act on a date that falls on a Saturday, Sunday or legal holiday, the party required to perform such act shall be deemed to have performed it in a timely manner, and in conformance with such provision, if it shall perform such act on the next succeeding Business Day. All date and day references herein refer to the Pacific Time Zone.

Section 5.12. Execution in Several Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority, the Corporation and the Agency shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 5.13. Governing Law. The rights and duties of the parties to this Indenture shall be governed by the laws of the State.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement,  
as of the day and year first above written.

THE REDEVELOPMENT AGENCY OF THE  
CITY OF LONG BEACH

By Melvin J. Allen  
Executive Director

Attest:

By Melvin J. Allen  
Secretary

Approved as to form:

By [Signature]  
Agency Counsel

LONG BEACH BOND FINANCE AUTHORITY

By \_\_\_\_\_  
Vice Chair

AQUARIUM OF THE PACIFIC, a California  
nonprofit public benefit corporation

By \_\_\_\_\_  
Chairperson

ACKNOWLEDGED BY:

U.S. BANK TRUST NATIONAL  
ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Officer

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement,  
as of the day and year first above written.

THE REDEVELOPMENT AGENCY OF THE  
CITY OF LONG BEACH

By \_\_\_\_\_  
Executive Director

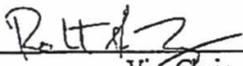
Attest:

By \_\_\_\_\_  
Secretary

Approved as to form:

By  \_\_\_\_\_  
Agency Counsel

LONG BEACH BOND FINANCE AUTHORITY

By  \_\_\_\_\_  
Vice Chair

AQUARIUM OF THE PACIFIC, a California  
nonprofit public benefit corporation

By \_\_\_\_\_  
Chairperson

ACKNOWLEDGED BY:

U.S. BANK TRUST NATIONAL  
ASSOCIATION, as Trustee

By  \_\_\_\_\_  
Authorized Officer

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement,  
as of the day and year first above written.

THE REDEVELOPMENT AGENCY OF THE  
CITY OF LONG BEACH

By \_\_\_\_\_  
Executive Director

Attest:

By \_\_\_\_\_  
Secretary

Approved as to form:

By \_\_\_\_\_  
Agency Counsel

LONG BEACH BOND FINANCE AUTHORITY

By \_\_\_\_\_  
Vice Chair

AQUARIUM OF THE PACIFIC, a California  
nonprofit public benefit corporation

By Russell Hill  
Chairperson

ACKNOWLEDGED BY:

U.S. BANK TRUST NATIONAL  
ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Officer

# EXHIBIT C

## CITYPLACE REIMBURSEMENT AGREEMENT

**31435**

1 THIS CITYPLACE REIMBURSEMENT AGREEMENT is entered into the 9<sup>TH</sup> day  
2 of June, 2009, between the CITY OF LONG BEACH ("City") and the REDEVELOPMENT  
3 AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA ("Agency"), pursuant to a  
4 minute order adopted by the City Council of the City of Long Beach at its meeting of June  
5 9, 2009.  
6  
7

8  
9 Section 1. Agency agrees to pay to City the costs to upgrade and  
10 modernize Garages A, B and C of the CityPlace shopping center (the "CityPlace  
11 Garage"), provided, that such costs shall not exceed the amount of Nine Hundred Ninety  
12 Thousand Dollars (\$990,000.00) (the "Advance"). Agency shall submit invoices to City as  
13 evidence of such costs.

14 Section 2. In consideration for the Agency's advance of such funds, City  
15 shall repay the Advance to the Agency from fifty-percent (50%) of the "profits" derived by  
16 City from City's operation of the CityPlace Garage. For the purposes of this Agreement,  
17 the term "profit" shall mean the amount of revenue generated by vehicles parking at the  
18 CityPlace Garage, less any costs incurred in operating the CityPlace Garage, specifically  
19 those expenses identified within the 010, 020 and 030 characters of the City's FAMIS  
20 system but excluding any expenses denoted by the 040 character.

21 Section 3. In the event either party fails, neglects or refuses to keep and  
22 perform any of the covenants or conditions of this Agreement, and such failure shall  
23 continue for a period of more than thirty (30) days after notice is given by the other party,  
24 such failure shall constitute a default under this Agreement and the other party may  
25 exercise any rights or remedies provided by law.

26 ///

27 ///

28 ///

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

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CITY AND AGENCY have executed this Agreement as of the date first provided above.

CITY OF LONG BEACH, a municipal corporation

By [Signature] Assistant City Manager  
City Manager

CITY EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA

By [Signature]  
Exec. Director/Secretary

AGENCY

Approved as to form this 11<sup>th</sup> day of Nov, 2009.

ROBERT E. SHANNON, City Attorney  
Attorney for the Redevelopment Agency of the City of Long Beach, California

By [Signature]  
Assistant City Attorney

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874**

**<http://www.sco.ca.gov>**