

RESOLUTION NO. 60-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City is obligated by Sections 20000 et seq. of the California Government Code (the "Retirement Law"), to make payments to the California Public Employees' Retirement System, or any successor system established by the State (the "System") relating to pension benefits accruing to current and retired City employees who are System members;

WHEREAS, the City has entered into a contract with PERS dated January 1, 1954, as amended effective October 16, 1964; January 1, 1966; July 1, 1966; August 1, 1966; May 1, 1968; October 1, 1968; April 1, 1972; October 1, 1972; July 1, 1973; May 1, 1975; March 1, 1976; July 1, 1978; September 1, 1978; July 1, 1979; September 28, 1979; December 1, 1979; September 1, 1980; February 23, 1982; November 1, 1988; July 1, 1992; August 11, 1992; November 3, 1993; January 14, 2000; October 1, 2002; January 1, 2003 and March 1, 2003, as heretofore and hereafter amended from time to time (the "PERS Contract"), evidencing the City's obligation to pay the System the City's unfunded accrued actuarial liability; and

WHEREAS, the City's obligation to the System as evidenced by the PERS Contract is a debt obligation of the City imposed by law; and

WHEREAS, for the purpose of refunding the City's obligations to the System evidenced by the PERS Contract, the City has duly issued its City of Richmond Taxable Pension Funding Bonds, Series 2005A (the "Series 2005A Bonds"), its City of Richmond Taxable Pension Funding Bonds, Series 2005B-1 (Series 2005B-1 Bonds") and its City of Richmond Taxable Pension Funding Bonds, Series 2005A (the "Series 2005B-2 Bonds" and, together with the Series 2005A Bonds and the Series 2005B-1 Bonds, the "Series 2005 Bonds") under the Act and the Indenture, dated as of November 1, 2005 (the "Indenture"), by and between the City and the Trustee, in the form and manner provided in the Indenture; and

WHEREAS, the City now desires to amend the Indenture to provide for adjustment of certain terms of the Series 2005B-1 Bonds and the Series 2005B-2 Bonds that would apply following their respective Full Accretion Dates (as defined in the Indenture), including but not limited to, changes that would result in fixed rather than variable interest rates paid by the City; and

WHEREAS, the City desires that the Trustee join in amending the indenture to allow for such amendments; and

WHEREAS, the Indenture and the rights and obligations of the City and of the Holders may be amended at any time by a Supplemental Indenture which shall become binding when the written consents of the Holders of a majority in aggregate principal amount of the Outstanding Bonds, exclusive of Bonds disqualified as provided in the Indenture, are filed with the Trustee and after receipt of an approving Opinion of Counsel that such amendment is authorized under the Indenture; and

WHEREAS, the consent of all Holders and the approving Opinion of Counsel referenced above will be obtained prior to the execution and delivery of the First Supplemental Indenture (as defined below); and

WHEREAS, there has been presented to this meeting a form of a First Supplemental Indenture (the "First Supplemental Indenture") proposed to be entered into by and between the City and Union Bank of California, N.A., as trustee (the "Trustee"); and

WHEREAS, this Council desire to authorize and direct the execution of the First Supplemental Indenture subject to the written consent of the Holders; and

WHEREAS, the City has full legal right, power and authority under the Constitution and the laws of the State of California to enter into the transactions hereinafter authorized.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Richmond, as follows:

Section 1. The foregoing recitals are true and correct and this Council hereby so finds and determines.

Section 2. The First Supplemental Indenture is hereby approved; provided that (i) from and after the Full Accretion Date applicable to the Series 2005B-1 Bonds, the interest rate on the Series 2005-1 Bonds shall not exceed 6.05%, and (II) from and after the Full accretion Date applicable to the Series 2005B2 Bonds, the interest rate on the Series 2005-2 Bonds shall not exceed 6.10%. Upon receipt of the written consent of the Holders, the Director of Finance (or a designee of the Director of Finance) is hereby authorized and directed to execute and deliver the First Supplemental Indenture on behalf of the City, which shall be in substantially the form presented to this meeting, with such changes therein, deletions therefrom and additions thereto as the Director of Finance shall approve in consultation with the City Attorney ("City Attorney") and Orrick, Herrington & Sutcliffe LLP, Bond Counsel for the Bonds ("Bond Counsel"), which such approval shall be conclusively evidenced by the execution and delivery of the First Supplemental Indenture, and the City Clerk is authorized and directed to affix and attest the seal of the City thereto.

Section 3. The officers and agents of the City are, and each of them hereby is authorized and directed to do any and all things and to execute and deliver any and all documents, including, but not limited to certificates and documents executed in connection with the execution and delivery of the First Supplemental Indenture, which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this resolution, and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 4. This resolution shall take effect immediately upon its passage.

I hereby certify that the foregoing resolution was passed and adopted by the City Council of the City of Richmond at a regular meeting thereof, held on June 19, 2007, by the following vote:

AYES: Councilmembers Bates, Butt, Lopez, Marquez, Rogers, Sandhu, Thurmond, Viramontes, and Mayor McLaughlin

NOES: None

ABSTENTIONS: None

ABSENT: None

DIANE HOLMES
City Clerk of the City of Richmond

(SEAL)

Approved:

GAYLE McLAUGHLIN
Mayor

Approved as to form:

LOUISE RENNE, Interim
City Attorney

State of California }
County of Contra Costa : ss.
City of Richmond }

I certify that the foregoing is a true copy of Resolution No. 60-07, finally passed and adopted by the Council of the City of Richmond at a meeting held on June 19, 2007.