

**RESOLUTION NO. 93-07**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND DIRECTING STAFF TO PREPARE PROCEEDINGS IN CONNECTION WITH THE FINANCING OF CERTAIN PORT TERMINAL AND RELATED IMPROVEMENTS IN CONNECTION WITH THE PROPOSED EXPANSION OF THE AUTO WAREHOUSING CORPORATION OPERATION TO ACCOMMODATE IMPORTATION OF HONDA AUTOMOBILES, INCLUDING THE NEGOTIATION OF A NEW LEASE AGREEMENT AND/OR AN AMENDMENT TO THE EXISTING LEASE AGREEMENT WITH SAID CORPORATION, AND APPOINTING BOND AND DISCLOSURE COUNSEL, AND A FINANCIAL ADVISOR AND AUTHORIZING THE DIRECTOR OF FINANCE TO SEEK PROPOSALS FROM INVESTMENT BANKING AND OTHER FINANCIAL FIRMS TO PROVIDE SUCH FINANCING

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WHEREAS, the City of Richmond (the "City") has previously entered into a lease agreement (the "Existing Lease") with Auto Warehousing Corporation ("AWC") to lease certain property in the area of the City known as Point Potrero on which AWC operates a marine terminal and related facilities for the importation of automobiles manufactured by Hyundai/Kia; and

WHEREAS, the City has entered into a financing with Comerica Bank to finance certain terminal improvements required under the Existing Lease and such financing is paid from the revenues generated under the Existing Lease; and

WHEREAS, AWC and the Port of Richmond [have obtained] a commitment letter from the Honda Motor Corporation ("Honda") to cause the importation of Honda automobiles through the AWC terminal, which will significantly increase the volume of traffic through the terminal and significantly increase the revenues to the Port from such operations; and

WHEREAS, AWC and the City desire to enter into a new lease and/or an amendment to the Existing Lease to accommodate the new Honda business and to extend the term of the Existing Lease (collectively, the "New Lease"); and

WHEREAS, the City will be required to finance approximately \$16 million of new terminal and related improvements in order to accommodate the Honda business at the Port, and the City intends to do so by issuing bonds, notes or other evidences of indebtedness secured by the revenues generated under the New Lease (the "Obligations"); and

WHEREAS, in order to proceed to structure the Obligations, the City desires to appoint bond and disclosure counsel and a financial advisor for the proposed financing; and

WHEREAS, the City desires to authorize the Director of Finance to solicit proposals from and to recommend an investment banking firm or other financial institution to assist in the issuance and sale or placement of the Obligations;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RICHMOND HEREBY RESOLVES, AS FOLLOWS:

Section 1. The City Council hereby directs the City Manager, Director of Finance, Port Director, City Attorney and other appropriate officers and employees of the City to enter into negotiations with AWC and, to the extent necessary Honda, Hyundai/Kia, Glovis Corporation and other shippers or intermediaries, to secure the New Lease and to bring the New Lease back to this Council for consideration and approval at the earliest practical opportunity.

Section 2. The firm of Orrick, Herrington & Sutcliffe LLP is hereby appointed bond and disclosure counsel for the Obligations in accordance with that certain agreement on file

with the Clerk and presented to this meeting (the “Bond Counsel Agreement”). The City Manager is hereby authorized and directed to execute and deliver the Bond Counsel Agreement in substantially the form on file, with such changes, additions, amendments or supplements approved by the City Manager in the interests of the City, such approval to be conclusively evidenced by such execution and delivery.

Section 3. The firm of Tamalpais Advisors, Inc. is hereby appointed Financial Advisor for the Obligations in accordance with that certain agreement on file with the Clerk and presented to this meeting (the “Financial Advisory Agreement”). The City Manager is hereby authorized and directed to execute and deliver the Financial Advisory Agreement in substantially the form on file, with such changes, additions, amendments or supplements approved by the City Manager in the interests of the City, such approval to be conclusively evidenced by such execution and delivery.

Section 4. The Director of Finance is hereby authorized and directed to solicit proposals from investment banking firms and other financial institutions to serve as underwriter or placement agent in connection with the Obligations and is further authorized and directed to bring a recommendation back to this Council for the appointment of a qualified firm to perform those functions at the earliest practical opportunity.

Section 5. The City Council hereby directs the City Manager, Director of Finance, Port Director, City Attorney and all other appropriate officers and employees of the City to work with the financing team herein appointed to prepare or cause to be prepared legal proceedings and documents to issue and sell the Obligations, and to submit same to the City Council for consideration at the earliest practical opportunity.

Section 6. This resolution shall take effect immediately upon its passage.

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I hereby certify that the foregoing resolution of the City Council of the City of Richmond duly passed and adopted at a joint meeting thereof held on September 11, 2007 by the following vote:

AYES:	Members Bates, Butt, Lopez, Marquez, Rogers, Sandhu, Thurmond, Viramontes, and Chairperson/Mayor McLaughlin
NOES:	None
ABSTENTIONS:	None
ABSENT:	None

DIANE HOLMES  
Clerk of the City of Richmond

[SEAL]

APPROVED:

GAYLE McLAUGHLIN  
Chairperson/Mayor

APPROVED AS TO FORM:

LOUISE RENNE, Interim  
Counsel/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. 93-07, finally passed and adopted by the Council of the City of Richmond at a joint meeting held on September 11, 2007.