

RESOLUTION NO. 5-06

A RESOLUTION OF THE CITY COUNCIL PROVIDING FOR THE ISSUANCE OF THE CITY OF RICHMOND LIMITED OBLIGATION REFUNDING BONDS, REASSESSMENT DISTRICT NO. 1999-01 (COUNTRY CLUB VISTA); PRESCRIBING THE DATE AND FORM OF SAID BONDS AND PRESCRIBING THE REDEMPTION PROVISIONS THEREFOR; AUTHORIZING THE EXECUTION OF SAID BONDS; PROVIDING FOR THE COLLECTION OF REASSESSMENTS TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS; APPROVING THE SALE OF SAID BONDS; AND APPROVING THE FORMS AND SUBSTANCE OF A TRUST AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT DERIVED THEREFROM, A LOCAL OBLIGATION PURCHASE CONTRACT, A PURCHASE CONTRACT, A REFUNDING ESCROW AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT; AND AUTHORIZING RELATED ACTIONS NECESSARY TO IMPLEMENT THE PROPOSED REFUNDING PROGRAM

WHEREAS, the City Council of the City of Richmond (the "City"), by proceedings duly had and taken, duly provided for the issuance of the City of Richmond Improvement District No. 1999-01 (Country Club Vista) Limited Obligation Improvement Bonds, Series 2000 (the "Prior Local Obligations"), under and pursuant to the conditions and terms of the Improvement Bond Act of 1915, being Division 10 of the California Streets and Highways Code (the "1915 Act") in and for its Improvement District No. 1999-01 (Country Club Vista) (the "Assessment District"); and

WHEREAS, this City Council has determined to issue the City of Richmond Limited Obligation Refunding Bonds, Reassessment District No. 1999-01 (Country Club Vista) (the "Refunding Bonds" or "Local Obligations") for the purpose of refunding the unmatured portions of the Prior Local Obligations now outstanding under and pursuant to the conditions and terms of the Refunding Act of 1984 for 1915 Improvement Act Bonds, being Division 11.5 of the California Streets and Highways Code (the "1984 Act"), and to provide for the levy and collection of reassessments as security for the Refunding Bonds; and

WHEREAS, the City has determined pursuant to Section 6588(v) of the Government Code to sell the Refunding Bonds to the Authority pursuant to a Local Obligation Purchase Contract (the "Local Obligation Purchase Contract") by and between the City and the Authority; and

WHEREAS, the Authority intends to issue its Reassessment Revenue Refunding Bonds, Series 2006A and Subordinated Series 2006B (collectively, the "Reassessment Revenue Refunding Bonds") pursuant to the Trust Agreement, dated as of February 1, 2006 (the "Trust Agreement"), by and among the Authority, the City and Union Bank of California, N.A., as Trustee (the "Trustee") for the purpose of acquiring the Refunding Bonds; and

WHEREAS, in furtherance of implementing the proposed refunding program, the following documents have been prepared, reviewed and approved as to form by City staff, and filed with the City Clerk:

(a) a Preliminary Official Statement, pertaining primarily to the Reassessment Revenue Refunding Bonds but also describing the refunding program, the Local Obligations and certain other information deemed material to an informed investment decision respecting the Reassessment Revenue Refunding Bonds;

(b) a Local Obligation Purchase Contract, by which the Authority proposes to purchase the Local Obligations from the City;

(c) a Purchase Contract by and among the City, the Authority and the underwriter by which the underwriter proposes to purchase the Reassessment Revenue Refunding Bonds from the Authority;

(d) a Trust Agreement pursuant to which the Reassessment Revenue Refunding Bonds are to be issued and administered by the Trustee;

(e) a Refunding Escrow Agreement between the City and Union Bank of California, N.A., as Escrow Agent; and

(f) a Continuing Disclosure Agreement between the City and the Trustee to provide for continuing disclosure in compliance with the requirements of Rule 15c(2)-12 ("Rule 15c(2)-12"), promulgated by the United States Securities and Exchange Commissions under the Securities Exchange Act of 1934;

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 City Council so finds and determines.

Section 2. This City Council has reviewed all proceedings heretofore taken relative to the foregoing and has found, as a result of such review, and does hereby find and determine that all acts, conditions and things required by law to exist, to happen and to be performed precedent to and in the issuance of the Refunding Bonds under the 1984 Act as hereinafter authorized and provided do exist, have happened and have been performed in due time, form and manner as required by the 1984 Act and all other applicable laws, and the City is now authorized pursuant to each and every requirement of law to issue the Refunding Bonds in the manner and form as provided in this resolution.

Section 3. The City Council hereby approves the refinancing of the unmatured portions of the Prior Local Obligations and authorizes the issuance, sale and delivery of the Refunding Bonds. Union Bank of California, N.A. is hereby appointed as Fiscal Agent (the "Fiscal Agent") for the Refunding Bonds.

Section 4. The Refunding Bonds shall be issued upon and shall represent and shall be secured by said reassessments in accordance with the provisions of the 1984 Act to provide means for refunding the Prior Local Obligations, including payment of all costs of issuing the Refunding Bonds. The Refunding Bonds shall be issued as hereinafter set forth and shall be known as the "City of Richmond Limited Obligation Refunding Bonds, Reassessment District No. 1999-01 (Country Club Vista)" and shall be in an aggregate principal amount of not to exceed \$12,435,000. The Refunding Bonds shall be issued as fully registered bonds, shall be of the denomination of \$1 or any integral multiple of \$1 as determined by the registered owners thereof (not exceeding the principal amount of Refunding Bonds maturing at any one time), shall be dated their date of delivery, presently expected to be on or about February 8, 2006, and shall mature and bear interest as provided in the Local Obligation Purchase Contract. Notwithstanding any provision of the 1984 Act or these proceedings, reassessments may be prepaid in part in integral multiples of one dollar (\$1).

The Refunding Bonds shall bear interest from the interest payment date next preceding the date of authentication and registration thereof, unless such date of authentication and registration is on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both inclusive, in which event they shall bear interest from such interest payment date, or unless such date of authentication and registration is on a day on or before the fifteenth (15th) day of the month next preceding the first interest payment date, in which event they shall bear interest from their dated date. Such interest shall be payable on September 2, 2006, and thereafter semiannually on March 2 and September 2 of each year until and at the respective maturity dates of the Refunding Bonds.

The interest on and principal of and redemption premiums, if any, on the Refunding Bonds shall be payable in lawful money of the United States of America at the office of Union Bank of California, N.A., San Francisco, California. Payment of the interest on the Refunding Bonds due on or before the maturity or prior redemption thereof shall be made by check mailed to the registered owners of the Refunding Bonds at their addresses as they appear at the close of business as of the fifteenth (15th) day of the month prior to each such interest payment date on the registration books maintained by the Fiscal Agent, or at such other addresses as they may have filed in writing with the Fiscal Agent for that purpose, and payment of the principal of and redemption premiums, if any, on the Refunding Bonds shall be made only upon surrender thereof by the registered owners thereof on their maturity dates or on redemption prior to maturity to the Fiscal Agent; provided that, for the period during which the Authority is the registered owner of the Refunding Bonds, payment of the principal of and the interest and redemption premiums, if any, on the Refunding Bonds will be paid on each March 2 and September 2 payment date by wire transfer to the party specified in writing by the Authority to the Fiscal Agent.

Any Refunding Bond may be redeemed in whole or in part in integral multiples of \$1 of the Refunding Bonds on any date in any year, at the option of the City, upon payment of the principal amount thereof and interest accrued thereon to the date of redemption, together with a redemption premium equal to the amount specified in the Local Obligation Purchase Contract, but in any event not to exceed three percent (3.0%) of such principal amount redeemed. The City shall proceed pursuant to Part 11.1 of the 1915 Act in determining those Refunding Bonds or portions thereof to be redeemed and the manner of the redemption thereof, and notice of advance redemption of any Refunding Bond shall be given by the City as provided in the 1915 Act.

Pursuant to Section 13, Exhibit A to the Local Obligation Purchase Contract may provide that one or more maturities of the Local Obligations be issued as term bonds, which shall be subject to mandatory redemption on September 2 in the years, and in the amounts, as set forth in Exhibit A to the Local Obligation Purchase Contract. In the event terms bonds are specified, such mandatory redemptions shall be made upon notice as provided herein, shall be at a price equal to the principal amount of terms bonds to be redeemed, plus accrued interest to the redemption date, without premium and the redemption price shall be paid from the Redemption Fund. Any term bonds to be redeemed shall be selected by the Fiscal Agent by lot in any manner the Fiscal Agent deems fair. In the event any term bonds are redeemed in part pursuant to the optional redemption provisions hereof, the scheduled amount of mandatory redemptions of such term bonds set forth in Exhibit A to the Local Obligation Purchase Contract shall be reduced proportionately.

This City Council declares and determines that it does not and will not obligate itself to advance funds from the City treasury to cure any deficiency which may occur at any time in the Redemption Fund created in Section 10 of this resolution.

Section 5. (a) The Refunding Bonds shall initially be issued and registered in the name of the Trustee, as assignee of the Authority, shall initially be issued as one bond for each maturity, shall be issued as serial and/or term bonds, and shall be executed and delivered in such denominations and numbered in such manner as determined by the Authority, subject to the limitations of Section 4 of this resolution; and thereafter, such Refunding Bonds shall be transferred pursuant to Section 8 of this resolution.

(b) The City and the Fiscal Agent shall be entitled to treat the person in whose name any such Refunding Bond is registered as the owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by the Fiscal Agent or the City; and the City and the Fiscal Agent shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any persons other than the registered owners of such Refunding Bonds; and neither the City nor the Fiscal Agent shall have any responsibility or obligation, legal or otherwise, to any other party, except the registered owner of any such Refunding Bonds.

Section 6. The Refunding Bonds shall be in substantially the following form, the blanks in said form to be filled in with appropriate words or figures, namely:

[FORM OF BOND]

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA

REGISTERED

REGISTERED

NUMBER __

\$ _____

CITY OF RICHMOND
LIMITED OBLIGATION REFUNDING BOND
REASSESSMENT DISTRICT NO. 1999-01 (COUNTRY CLUB VISTA)

INTEREST
RATE
_____%

MATURITY
DATE
September 2, ____

BOND
DATE
_____, 2006

REGISTERED OWNER: Union Bank of California, N.A.

PRINCIPAL AMOUNT: _____ DOLLARS

Under and by virtue of the "Refunding Act of 1984 for 1915 Improvement Act Bonds," being Division 11.5 of the California Streets and Highways Code (the "Act"), the City of Richmond in the State of California (the "City") will, out of the Redemption Fund hereinafter referred to, pay to the registered owner set forth above on the maturity date set forth above (subject to the right of prior redemption hereinafter reserved) the principal amount set forth above in lawful money of the United States of America, and in like manner will pay interest from the interest payment date next preceding the date on which this bond is authenticated and registered (unless this bond is authenticated and registered on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both inclusive, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated and registered on a day on or before the fifteenth (15th) day of the month next preceding the first interest payment date, in which event it shall bear interest from _____, 2006) until payment of such principal sum shall have been discharged, at the interest rate per annum set forth above,

payable semiannually on March 2 and September 2 in each year, commencing on September 2, 2006.

Both the principal hereof and redemption premium hereon are payable at the office of Union Bank of California, N.A., San Francisco, California (the "Fiscal Agent"), and the interest hereon is payable by check mailed to the owner hereof at the owner's address as it appears on the registration books of the Fiscal Agent, or at such address as may have been filed in writing with the Fiscal Agent for that purpose, at the close of business as of the fifteenth (15th) day of the month next preceding each interest payment date; provided that, for the period during which the Richmond Joint Powers Financing Authority is the registered owner of this Bond, payment of the principal of and the interest and redemption premium, if any, on this Bond will be made by wire transfer on each March 2 and September 2 payment date to such party as shall be specified in writing by the Authority to the Fiscal Agent.

This bond is one of several annual series of bonds of like date, tenor and effect, but differing in amounts, maturities and interest rates, issued by the City under the Act and the resolution providing for its issuance (the "Resolution") for the purpose of providing funds for refunding assessment bonds originally issued to pay for the improvements described in said proceedings, and is secured by the moneys in the Redemption Fund provided in the Resolution and by the unpaid portion of reassessments levied for the payment hereof, and, including principal and interest, is payable exclusively out of said fund.

The City Council has declared and determined that it does not and will not obligate itself to advance funds from the City treasury to cure any deficiency which may occur at any time in said Redemption Fund.

This bond will continue to bear interest after maturity at the rate above stated; provided, it is presented at maturity and payment thereof is refused upon the sole ground that there are not sufficient moneys in said Redemption Fund with which to pay the same. If it is not presented at maturity, interest thereon will run until maturity.

This bond, or any portion of it in the amount of one dollar (\$1) or any integral multiple thereof, may be redeemed and paid in advance of maturity on any date in any year by giving at least thirty (30) days' notice by registered or certified mail to the registered owner hereof at the owner's address as it appears on the registration books of the Fiscal Agent by paying principal and accrued interest together with a redemption premium equal to three percent (3.0%) of the principal amount of bonds redeemed.

The Bonds may be subject to mandatory redemption in advance of maturity, without premium, as set forth in the Local Obligation Purchase Contract.

This bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at the office of the Fiscal Agent, subject to the terms and conditions provided in the Resolution, including the payment of certain charges, if any, upon surrender and cancellation of this bond. Upon such transfer, a new registered bond or bonds, of any authorized denomination or denominations, of the same maturity, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

Bonds shall be registered only in the name of an individual (including joint owners), a corporation, a partnership or a trust.

Neither the City nor the Fiscal Agent shall be required to make such exchange or registration of transfer of bonds during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such payment date, both inclusive.

The City and the Fiscal Agent may treat the registered owner hereof as the absolute owner for all purposes, and the City and the Fiscal Agent shall not be affected by any notice to the contrary.

This bond shall not be entitled to any benefit under the Act or the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

IN WITNESS WHEREOF, the City Council of City of Richmond has caused this bond to be signed manually or in facsimile by the Treasurer of the City and by the City Clerk, and has caused its corporate seal to be impressed manually or in facsimile hereon, all as of _____, 2006.

CITY OF RICHMOND

City Treasurer

[SEAL]

City Clerk

[Form of and Certificate
of Authentication and Registration]

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the bonds described in the within-mentioned Resolution which has been authenticated and registered on _____, 2006.

UNION BANK OF CALIFORNIA, N.A.,
as Fiscal Agent

Authorized Officer

[Form of Assignment]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within bond and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer the same on the register of the Fiscal Agent, as Registrar, with full power of substitution in the premises.

Date: _____.

SIGNATURE GUARANTEED:

NOTE: The signature(s) must be guaranteed by an eligible guarantor institution. The signature(s) to this Assignment must correspond

with the name(s) as written on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Social Security Number, Taxpayer Identification Number or other Identifying Number of Assignee: _____.

Section 7. The Treasurer of the City (the “City Treasurer”) and the City Clerk are hereby authorized and directed, respectively, as such officers to execute each of the Refunding Bonds on behalf of the City, either manually or in facsimile, and the City Clerk is hereby authorized and directed to affix manually or in facsimile the official seal of the City thereto; and such signing and sealing as herein provided shall be a sufficient and binding execution of the Refunding Bonds by the City. In case either of such officers whose signature appears on the Refunding Bonds shall cease to be such officer before the delivery of the Refunding Bonds to the purchaser, such signature shall nevertheless be valid and sufficient for all purposes the same as though such officer had remained in office until the delivery of the Refunding Bonds. Only such of the Refunding Bonds as shall bear thereon a certificate of registration and authentication in the form hereinabove set forth, executed and dated by the Fiscal Agent, shall be entitled to any benefits hereunder or be valid or obligatory for any purpose, and such certificate shall be conclusive evidence that the Refunding Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefits hereof.

Section 8. The Fiscal Agent will keep at its office in San Francisco, California, sufficient books for the registration, transfer and exchange of the Refunding Bonds, and upon presentation for such purpose the Fiscal Agent shall, under such reasonable regulations as he may prescribe, register or transfer or exchange Refunding Bonds on such books as hereinafter provided.

Any Refunding Bond may be transferred or exchanged on such books by the registered owner thereof, in person or by his duly authorized attorney, upon payment by the person requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange and upon surrender of such Refunding Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Fiscal Agent. Whenever any Refunding Bond or Refunding Bonds shall be surrendered for transfer or exchange, the City shall execute and the Fiscal Agent shall authenticate and deliver a new Refunding Bond or Refunding Bonds of authorized denominations and of the same maturity date aggregating the principal amount of the Refunding Bond or Refunding Bonds so surrendered. The City and the Fiscal Agent may deem and treat the registered owner of any Refunding Bond as the absolute owner of such Refunding Bond for the purpose of receiving payment thereof and for all other purposes, whether such Refunding Bond shall be overdue or not, and neither the City nor the Fiscal Agent shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Refunding Bond shall be made only to such registered owner as above provided, which payment shall be valid and effectual to satisfy and discharge liability on such Refunding Bond to the extent of the sum or sums so paid.

Section 9. The reassessments levied on the respective parcels in Reassessment District No. 1999-01 (Country Club Vista) (the “Reassessment District”), together with interest thereon computed at the rate specified in the Refunding Bonds (which interest shall begin to run from the date of the Refunding Bonds), shall, in accordance with and consistent with the Act, remain and constitute a trust fund for the redemption and payment of the principal of the Refunding Bonds and for the interest due thereon, and said reassessments and each installment thereof and the interest and penalties thereon shall constitute a

lien against the lots and parcels of land on which they are made until the same be paid. The City Treasurer of the City shall furnish to the County Auditor of Contra Costa County (the "Auditor") and, as prescribed by the Act, the Auditor shall keep records in his office showing, the several installments of principal and interest on said reassessments which are to be collected in each year during the term of the Refunding Bonds; and an annual installment of said reassessments shall be payable and shall be collected in each year corresponding in amount to the amount of Refunding Bonds unpaid and to accrue that year, which amount shall be sufficient to pay the Refunding Bonds as the same become due, and an annual installment of interest on said reassessments shall be payable and shall be collected in each year corresponding in amount to the amount of interest which will accrue on the Refunding Bonds outstanding for such year, which amount shall be sufficient to pay the interest thereon that shall become due in the next succeeding March and September. The annual proportion of said reassessments coming due in any year, together with the annual interest on such reassessments, shall be payable in the same manner and at the same time and in the same installments as the general taxes on real property in the City are payable, and said reassessment installments and said annual interest on said reassessments shall be payable and become delinquent on the same dates and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do general taxes on real property in the City.

The City covenants for the benefit of the Owners of the Refunding Bonds that it will determine or cause to be determined, no later than February 15 and June 15 of each year, whether or not any owners of property within the Reassessment District are delinquent in the payment of reassessments and, if such delinquencies exist, the City will order and cause to be commenced no later than April 1 (with respect to the February 15 determination) or August 1 (with respect to the June 15 determination date), and thereafter diligently prosecute or cause to be prosecuted, an action in the superior court to foreclose the lien of any reassessments or installment thereof not paid when due, provided, however, that the City shall not be required to order the commencement of foreclosure proceedings if (i) the total reassessment delinquency in the Reassessment District for such Fiscal Year is less than five percent (5%) of the total reassessments levied in such Fiscal Year, and (ii) the Reserve Fund for the Reassessment Revenue Refunding Bonds remains at the Reserve Requirement. Notwithstanding the foregoing, if the City determines that any single property owner in the Reassessment District is delinquent in excess of ten thousand dollars (\$10,000) in the payment of reassessments, then it will diligently institute, prosecute and pursue foreclosure proceedings against such property owner. The City Treasurer shall notify the Council and the City Attorney of any delinquency requiring the commencement of a foreclosure action pursuant hereto and the City Attorney shall commence, or cause to be commenced, such proceedings. The City may, but shall not be obligated to, advance funds from any source of legally available funds in order to maintain the Reserve Fund for the Reassessment Revenue Refunding Bonds at the Reserve Requirement. Anything in this Resolution to the contrary notwithstanding, the City may employ a fiscal agent or attorney to undertake and perform its obligations under this Section 9.

Section 10. There is hereby created and established a fund to be known as the "City of Richmond Limited Obligation Refunding Bonds, Reassessment District No. 1999-01 (Country Club Vista), Redemption Fund," which fund shall be kept by the Fiscal Agent and shall constitute a trust fund for the benefit of the registered owners of the Refunding Bonds, and all sums received by the City which are received from the collection of said reassessments (except for those amounts allocable to administrative expenses), and of the interest and penalties thereon, and including amounts paid to the City on account of any prior pay-off and discharge of a reassessment lien (whether in whole or in part), shall upon receipt be immediately transferred to the Fiscal Agent and deposited in said fund. All sums to become due for the principal of and the interest on the Refunding Bonds shall be withdrawn by the Fiscal Agent from the Redemption Fund for use for the payment of the principal of and the interest on

the Refunding Bonds, and the Refunding Bonds and the interest thereon shall not be paid out of any other funds. Any surplus remaining in said fund after payment of all Refunding Bonds and the interest thereon shall be applied as directed by the City.

Section 11. There is hereby created and established a fund to be known as the “City of Richmond Limited Obligation Refunding Bonds, Reassessment District No. 1999-01 (Country Club Vista), Expense Fund,” which fund shall be kept by the City Treasurer. After making the deposits in the Redemption Fund as required by Section 10, all remaining proceeds of the sale of the Refunding Bonds, if any, shall be deposited in the Expense Fund and shall be kept separate and distinct from all other City funds. All moneys collected by the City as administrative costs pertaining to administration of the reassessments and the Refunding Bonds shall also be deposited in the Expense Fund. All money in the Expense Fund shall be disbursed on such dates and in such amounts as are necessary to pay all costs of administering the reassessments and the Refunding Bonds (as provided under the Act), including all expenses incident to administering installments and prepayments collected on account of the unpaid reassessments, apportioning the reassessments if necessary in the event of division of any reassessment parcel, and all expenses incident to the calling, retiring or paying of the Refunding Bonds, and including, but not limited to, fees of bond counsel, underwriters, trustees, certified public accountants and rating agencies, continuing disclosure service providers, administrative expenses of the City and the charges of the Treasurer in connection with the Refunding Bonds and the Authority’s Reassessment Revenue Refunding Bonds.

Section 12. Upon delivery of the Refunding Bonds to the Authority, and in lieu of payment by the Authority to the City of that portion of the purchase price of the Refunding Bonds required for purposes of redemption of the Prior Local Obligations on September 2, 2008, as the amount of said portion is specified in the Trust Agreement pertaining to the Authority’s Reassessment Revenue Refunding Bonds, the City will provide the Authority with written instructions at the time of such delivery providing for payment of said portion to the Refunding Escrow from which the Prior Local Obligations will be redeemed on September 2, 2008.

Section 13. The form and substance of the Local Obligation Purchase Contract is hereby approved. The Local Obligation Purchase Contract makes reference to Exhibit A to be attached thereto to set forth and establish, among other things, the Dated Date, the maturity schedule, redemption premiums, redemption schedule and the interest rates for the Refunding Bonds. This City Council hereby authorizes the Mayor, City Treasurer, Director of Finance or City Manager to approve Exhibit A after the date of this resolution and upon the condition that notwithstanding the foregoing, Exhibit A to the Local Obligation Purchase Contract shall not specify a final maturity of the Refunding Bonds later than the last maturity of any of the Prior Local Obligations or terms of the Refunding Bonds which cause the yield on the Refunding Bonds to exceed any limitation imposed by law.

Following attachment of the approved Exhibit A, and subject to such modification and revisions to the body thereof not inconsistent with the essential terms thereof, which modifications shall be approved after consultation with the City Attorney, and concurrently with execution thereof by the authorized representatives of the Authority, the Mayor, City Treasurer, Director of Finance or City Manager is authorized to execute the Local Obligation Purchase Contract on behalf of the City.

Section 14. The form and substance of the Preliminary Official Statement describing the Authority’s Reassessment Revenue Refunding Bonds and the Refunding Bonds is hereby approved. The facts contained therein, as of this date, are true and correct in all material respects, and said Preliminary Official Statement neither contains any untrue statement of a material fact nor

omits to state any material fact necessary to make any statement therein not misleading in light of the circumstances under which it was made. The Mayor, City Treasurer, Director of Finance or City Manager is authorized to execute a certificate as to finality of the Preliminary Official Statement and to execute the final Official Statement to be derived therefrom.

This City Council hereby finds and determines that said Preliminary Official Statement is and shall be deemed “nearly final” for purposes of Rule 15c(2)-12 of the Securities and Exchange Commission, and the Mayor, City Treasurer, Director of Finance or City Manager is hereby authorized to execute a certificate to such effect in the customary form upon request of the Underwriter.

The Mayor, City Treasurer, Director of Finance or City Manager is authorized to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, by appropriate insertions, or otherwise as appropriate, provided that such corrections or additions shall be regarded by the Mayor, City Treasurer, Director of Finance or City Manager as necessary to cause the information contained therein to conform to facts material to the Refunding Bonds or the Authority’s Reassessment Revenue Refunding Bonds or to the proceedings of this City Council or the Authority Board or that such corrections or additions are in form rather than in substance.

Section 15. The form of the Trust Agreement, submitted to this meeting and on file with the City Clerk, is hereby approved. The Mayor, City Treasurer, Director of Finance or City Manager is hereby authorized and directed to execute the Trust Agreement in substantially the form on file with the City Clerk, with such changes as may be approved by the Mayor, City Treasurer, Director of Finance or City Manager in consultation with the City Attorney, such approval to be conclusively evidenced by the execution thereof.

Section 16. The form of the Purchase Contract, submitted to this meeting and on file with the City Clerk, is hereby approved. The Mayor, City Treasurer, Director of Finance or City Manager is hereby authorized and directed to execute the Purchase Contract in substantially the form on file with the City Clerk, with such changes as may be approved by the Mayor, City Treasurer, Director of Finance or City Manager in consultation with the City Attorney, such approval to be conclusively evidenced by the execution thereof.

Section 17. The form of the Refunding Escrow Agreement, submitted to this meeting and on file with the City Clerk, is hereby approved. The Mayor, City Treasurer, Director of Finance or City Manager is hereby authorized and directed to execute the Refunding Escrow Agreement in substantially the form on file with the City Clerk, with such changes as may be approved by the Mayor, City Treasurer, Director of Finance or City Manager in consultation with the City Attorney, such approval to be conclusively evidenced by the execution thereof.

Section 18. The City Clerk is directed to cause the Refunding Bonds to be typewritten, lithographed, printed or engraved, and to cause the blank spaces thereof to be filled in to comply with the provisions hereof, and to procure their execution either manually or in facsimile by the proper officers, and thereafter to deliver them, when so executed, to the Fiscal Agent, who shall authenticate them, and thereafter to deliver them to the purchaser thereof on receipt by the City of the purchase price thereof. The City Treasurer and the City Clerk are further authorized and directed to make, execute and deliver to the purchaser of the Refunding Bonds a signature certificate in the form customarily required by purchasers of municipal bonds, certifying to the genuineness and due execution of the Refunding Bonds. The City Treasurer and the City Clerk are authorized and directed to make, execute and deliver to the purchaser of the Refunding Bonds a no-litigation certificate in the form customarily required by purchasers of municipal bonds, certifying to all facts within their knowledge

relative to any litigation which may or might affect the City or said officers or the Refunding Bonds. The City Treasurer or designee thereof is further authorized and directed to make, execute and deliver to the purchaser of the Refunding Bonds a receipt in the form customarily required by purchasers of municipal bonds, evidencing the payment of the purchase price of the Refunding Bonds, which receipt shall be conclusive evidence that said purchase price has been paid and has been received by the City. Any purchaser or subsequent taker or holder of the Refunding Bonds is hereby authorized to rely upon and shall be justified in relying upon such signature certificate, such no-litigation certificate and such receipt with respect to the Refunding Bonds executed, sold and delivered pursuant to the authority of this resolution. Additionally, the officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and contracts which they may deem necessary or advisable in order to consummate the sale, execution and delivery of the Refunding Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Refunding Bonds, and the Local Obligation Purchase Contract; and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

Section 19. This City Council hereby covenants for the benefit of the Authority and the holders of the Refunding Bonds, from time to time, to establish and to implement a program of continuing disclosure in compliance with the requirements of Rule 15c(2)-12 of the Securities and Exchange Commission. The form and substance of the Continuing Disclosure Agreement is hereby approved. The City Manager or the City Treasurer is hereby authorized and directed to execute and deliver said Continuing Disclosure Agreement in substantially the form on file with the City Clerk and presented to this meeting, with such changes as may be approved in the interest of the City by the City Manager or the City Treasurer in consultation with the City Attorney, such approval to be conclusively evidenced by such execution and delivery. The estimated cost and expense of such continuing disclosure services shall be included in the annual administrative cost assessment to be added to the annual installments billed on account of unpaid reassessments, as provided in the Reassessment Report.

Section 20. The provisions of Article IX of the Trust Agreement shall apply to the Fiscal Agent in its capacity as fiscal agent for the Local Obligations in the same manner as they apply to the Trustee in its capacity as trustee for the Bonds.

Section 21. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, or to make any necessary modifications thereto, which are acceptable to the City Manager, City Treasurer, Director of Finance, City Attorney and Bond Counsel and which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Refunding Bonds and to carry out the purposes of this Resolution.

Section 22. This resolution shall take effect immediately upon its adoption.

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 the 17th day of January, 2006, by the following vote:

AYES: Councilmembers Bates, Butt, Griffin, Marquez,
McLaughlin, Rogers, Thurmond, Viramontes, and
Mayor Anderson

NOES: None

ABSTENTIONS: None

ABSENT: None

DIANE HOLMES
Clerk of the City of Richmond

(SEAL)

APPROVED:

IRMA L. ANDERSON
Mayor

APPROVED AS TO FORM:

JOHN EASTMAN
City Attorney

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

I certify that the foregoing is a true copy of Resolution No. 5-06, finally passed and adopted by the Council of the City of Richmond at a regular meeting held on January 17, 2006, and published in accordance with law.