

RESOLUTION NO. 43-08

A RESOLUTION OF THE CITY COUNCIL APPROVING THE CONVERSION OF THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY SUBORDINATE TAX ALLOCATION BONDS (MERGED PROJECT AREAS), 2007 SERIES A TO AN INDEX INTEREST RATE MODE; AND APPROVING THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Richmond Community Redevelopment Agency (the "Agency") is empowered to assist the City of Richmond (the "City") in financing and refinancing certain public capital improvements pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and pursuant to that certain Joint Exercise of Powers Agreement by and between the City and the Richmond Community Redevelopment Agency dated as of December 1, 1989; and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "JPA Law") and the Joint Powers Agreement, the Agency is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits; and

WHEREAS, the Agency has previously issued its Subordinate Tax Allocation Bonds (Merged Project Areas), 2007 Series A (the "Bonds"), pursuant to the Indenture, dated as of July 1, 2007 (the "Master Indenture"), as supplemented by the First Supplemental Indenture, dated as of July 1, 2007 (the "First Supplemental Indenture"), each by and between the Agency and Union Bank of California, N.A., as trustee (the "Trustee") for the purpose of funding the Series 2007 Project (the "Project"); and

WHEREAS, the municipal finance market has experienced volatility since the original issuance of the Bonds, and the Agency has determined that it is necessary and desirable to temporarily convert the Bonds, pursuant to the Indenture, from the Auction Rate Bond ("ARB") Interest Rate Period to an alternative interest rate mode, namely to the Index Interest Rate Period (the "Conversion"), by entering into a Second Supplemental Indenture, dated as of May 1, 2008 (the "Second Supplemental Indenture"), by and between the Agency and the Trustee, supplementing and amending the Master Indenture and the First Supplemental Indenture; and

WHEREAS, in order to remarket the Bonds after Conversion, the Agency will enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with RBC Capital Markets Corporation (the "Purchaser") providing for the purchase of the Bonds by the Purchaser upon Conversion; and

WHEREAS, there have been presented to this meeting the forms of:

1. the Second Supplemental Indenture, and
2. the Bond Purchase Agreement; and

WHEREAS, this Council has been presented with the form of each document referred to herein relating to Conversion of the Bonds, and the Board has examined each document and desires to authorize and approve the consummation of such Bond interest mode Conversion; and

WHEREAS, the Agency has full legal right, power and authority under 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 so finds and determines.

Section 2. The City hereby consents to and approves (i) form of Second Supplemental Indenture presented to this meeting, (ii) form of Bond Purchase Agreement

presented to this meeting, and (ii) the interest rate mode Conversion with respect to the Bonds from the ARB Interest Rate Period to the Index Interest Rate Period pursuant to the Second Supplemental Indenture. The City Manager or Assistant City Manager, Finance Director, Clerk, City Attorney and all other duly designated officers and agents of the City are hereby authorized and directed to take any and all actions on behalf of the City, execute any and all documents, and render any and all opinions necessary or convenient to accomplish the Conversion of the Bonds

Section 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things, including the selection and appointment of a calculation agent for the Bonds, and to execute and deliver, on behalf of the City, any certificate, consent, request, approval, notice, amendment, confirmation, supplement or revision, permitted or required to be delivered pursuant to the documents authorized hereby or otherwise as may be necessary or desirable in connection with the interest rate mode conversion of the Bonds without further authorization by this Council, and any and all documents which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution including, but not limited to, the execution and delivery of a tax certificate or other documents related to the Bonds. 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 certify that the foregoing resolution was passed and adopted by the City Council at a regular meeting thereof, held on the 6th day of May, 2008, by the following vote:

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

NOES: None

ABSTENTION: 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. 43-08, finally passed and adopted by the City Council at a joint meeting with the Redevelopment Agency at a meeting held on May 6, 2008.

CLERK'S CERTIFICATE

I, Diane Holmes, City Clerk of the City of Richmond, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted at a regular meeting of the City Council of said City duly and regularly held at the special meeting place thereof on the 6th day of May, 2008, of which meeting all of the members of said Governing Board had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

An agenda of said meeting was posted before said meeting at City Hall, 1401 Marina Way South, Richmond, California 94804, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 2008.

City Clerk of the City of Richmond