

RESOLUTION NO. 106-08

A RESOLUTION OF THE CITY COUNCIL PROVIDING FOR THE ISSUANCE OF THE CITY'S VARIABLE RATE WASTEWATER REVENUE REFUNDING BONDS, SERIES 2008A; AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL INDENTURE, A BOND PURCHASE AGREEMENT, A REMARKETING AGREEMENT, A REIMBURSEMENT AGREEMENT, AND AN OFFICIAL STATEMENT; APPROVING A FORM OF OFFICIAL STATEMENT IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to the Charter of the City of Richmond (the "City") and Chapter 13.56 of Article 13 of the Richmond Municipal Code (together, the "Bond Law"), the City is authorized to issue revenue bonds to finance the acquisition, construction, improvement, furnishing, equipping, remodeling, repair, reconstruction or rehabilitation of the wastewater treatment and collection facilities of the City (the "Enterprise") or for the purpose of refunding bonds issued for such purposes; and

WHEREAS, in accordance with the Bond Law, an Indenture of Trust, dated as of October 1, 2006 (the "Master Indenture"), by and between the City and the Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as supplemented by a First Supplemental Indenture, dated as of October 1, 2006 (the "First Supplemental Indenture"), by and between the City and the Trustee, and as supplemented by a Second Supplemental Indenture, dated as of October 1, 2006 (the "Second Supplemental Indenture"), by and between the City and the Trustee, the City has previously issued its Wastewater Revenue Refunding Bonds, Series 2006A (the "Series 2006A Bonds") in an aggregate principal amount of \$16,570,000 and its Wastewater Revenue Bonds, Series 2006B (the "Prior Bonds") in an aggregate principal amount of \$32,260,000 to provide funds to fund improvements to the Enterprise, defease a portion of the City's Wastewater Revenue Bonds, Series 1999, to fund a debt service reserve surety and to pay costs of issuance; and

WHEREAS, the City, after due investigation and deliberation, has determined that it is in the interests of the City at this time to issue its Variable Rate Wastewater Revenue Refunding Bonds, Series 2008A (the "Series 2008A Bonds") pursuant to the Master Indenture, as supplemented by a Third Supplemental Indenture, dated as of October 1, 2008 (the "Third Supplemental Indenture" and together with the Master Indenture, as previously supplemented, the "Indenture") between the City and the Trustee, for the purpose of refunding the Prior Bonds and to pay costs of issuance of the Bonds; and

WHEREAS, the City has previously adopted a set of standard policies governing certain financial transactions designed to reduce interest rate risk or lower overall borrowing costs set forth in the City of Richmond Swap Policy (the "Swap Policy"); and

WHEREAS, in order to reduce the amount of interest rate risk or lower the cost of borrowing in combination with the issuance of the Prior Bonds and in compliance with the Swap Policy, the City entered into an interest rate swap agreement pursuant to an ISDA Master Agreement (the "Master Swap Document"), together with the schedule and confirmation thereto (the "Ancillary Swap Documents" and, together with the Master Swap Document, the "Swap Agreement") and will maintain the Swap Agreement in effect with regard to the Series 2008A Bonds; and

WHEREAS, as the Series 2008A Bonds may be issued in a weekly rate period, the City intends to provide for the delivery by Union Bank of California, N.A. of an irrevocable direct-pay letter of credit (the "Letter of Credit") pursuant to a Reimbursement Agreement, dated as of October 1, 2008 (the "Reimbursement Agreement"), and related agreements, each by and between the City and Union Bank of California, N.A. to provide a source of payment for the purchase of the Series 2008A Bonds tendered by the owners thereof when such purchase is required in accordance with the terms of the Indenture and to provide for the payment of principal of and interest on the Series 2008A Bonds as the same becomes due; and

WHEREAS, the City intends to enter into a Bond Purchase Agreement, dated as of October 1, 2008 (the “Bond Purchase Agreement”), with RBC Capital Markets Corporation (the “Underwriter”) in connection with the sale of the Series 2008A Bonds; and

WHEREAS, the City intends to enter into a Remarketing Agreement, dated as of October 1, 2008 (the “Remarketing Agreement”), with RBC Capital Markets Corporation (the “Underwriter”) in connection with the sale of the Series 2008A Bonds; and

WHEREAS, the City desires (i) to enter into the Third Supplemental Indenture, (ii) the Reimbursement Agreement, (iii) the Bond Purchase Agreement, (iv) the Remarketing Agreement, and (v) an Official Statement (the “Official Statement”) with respect to the Series 2008A Bonds; and

WHEREAS, it will be necessary for the City to employ bond counsel and a financial advisor in connection with the proceedings for the refinancing of the Prior Bonds contemplated hereby; and

WHEREAS, in furtherance of implementing the Bond issuance, the following documents have been prepared, reviewed and approved as to form by City staff, and presented at this meeting:

1. Third Supplemental Indenture;
2. Reimbursement Agreement;
3. Bond Purchase Agreement;
4. Remarketing Agreement; and
5. Official Statement (form);

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 issuance of the Series 2008A Bonds, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture as finally executed, is hereby authorized and approved. The Series 2008A Bonds may be issued with any interest rate period permitted under the Indenture; provided, however, that (a) the aggregate initial principal amount of the Bonds shall not exceed \$35,000,000 and (b) the interest rates on the Series 2008A Bonds which are issued with any interest rate period other than a fixed rate period shall not exceed the applicable rates permitted under the Indenture. The Director of Finance or the City Manager (the “Authorized Representatives”) are each hereby authorized and directed, severally, or any such officer’s designee, for and on behalf of the City, to determine the Interest Rate Period for the Series 2008A Bonds.

Section 3. The form of the Third Supplemental Indenture on file with the City Clerk of the City and incorporated into this Resolution by reference is hereby approved. The Authorized Representatives are each hereby authorized and directed, severally, or any such officer’s designee, for and on behalf of the City, to execute and deliver the Indenture in substantially the form on file with the City Clerk and presented to this meeting, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the City and which are approved by such Authorized Representative, in consultation with the City’s bond counsel and financial advisor, such approval to be conclusively evidenced by such execution and delivery.

Section 4. The form of the Reimbursement Agreement on file with the City Clerk of the City and incorporated into this Resolution by reference is hereby approved. The Authorized Representatives are each hereby authorized and directed, severally, or any such officer's designee, for and on behalf of the City, to execute and deliver the Reimbursement Agreement in substantially the form on file with the City Clerk and presented to this meeting, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the City and which are approved by such Authorized Representative, in consultation with the City's bond counsel and financial advisor, such approval to be conclusively evidenced by such execution and delivery.

Section 5. The form of the Bond Purchase Agreement on file with the City Clerk of the City and incorporated into this Resolution by reference is hereby approved. The Authorized Representatives are each hereby authorized and directed, severally, or any such officer's designee, for and on behalf of the City, to execute and deliver the Bond Purchase Agreement in substantially the form on file with the City Clerk and presented to this meeting, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the City and which are approved by such Authorized Representative, in consultation with the City's bond counsel and financial advisor, such approval to be conclusively evidenced by such execution and delivery.

Section 6. The form of the Remarketing Agreement on file with the City Clerk of the City and incorporated into this Resolution by reference is hereby approved. The Authorized Representatives are each hereby authorized and directed, severally, or any such officer's designee, for and on behalf of the City, to execute and deliver the Remarketing Agreement in substantially the form on file with the City Clerk and presented to this meeting, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the City and which are approved by such Authorized Representative, in consultation with the City's bond counsel and financial advisor, such approval to be conclusively evidenced by such execution and delivery.

Section 7. The form of Official Statement relating to the Bonds on file with the City Clerk of the City and incorporated into this resolution by reference, is hereby approved. The Authorized Representatives are each hereby authorized and directed, severally, or any such officer's designee, for and on behalf of the City, to execute the official statement relating to the Series 2008A Bonds in substantially the form of the Official Statement presented at this meeting, including such related information and with such additions thereto or changes therein as hereafter become necessary in the interest of the City and which are approved by such Authorized Representative, in consultation with disclosure counsel, such approval to be conclusively evidenced by the execution and delivery of such official statement. The Underwriter is hereby authorized to distribute copies of said final official statement to all actual purchasers of the Series 2008A Bonds.

Section 8. The firm of Orrick, Herrington & Sutcliffe LLP shall be, and such firm is, hereby appointed bond counsel to the City in connection with the sale and delivery of the bonds. The City Manager is hereby authorized to enter into an agreement with Orrick, Herrington & Sutcliffe LLP for their services in this connection.

Section 9. The firm of Tamalpais Advisors shall be, and such firm is, hereby appointed financial advisor to the City in connection with the sale and delivery of the bonds. The City Manager is hereby authorized to enter into an agreement with Tamalpais Advisors for their services in this connection.

Section 10. 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 which they or any of them deem necessary or advisable in order to consummate the sale of the Series 2008A Bonds, including, but not limited to, the execution and delivery of a continuing disclosure certificate or agreement, if necessary, a tax certificate, any documents, document amendments or certificates necessary to the maintenance of the Swap Agreement with respect to the Series 2008A Bonds, any documents or certificates necessary in connection with the remarketing of the Series 2008A Bonds in the weekly rate period, and any documents, document amendments, or certificates necessary in connection with the investment of proceeds

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 special meeting of the City Council of said City duly and regularly held at the special meeting place thereof on the 16th day of September, 2008, of which meeting all of the members of said City Council had due notice and at which a majority thereof were present; and that at said

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

NOES: None

ABSTENTIONS: None

ABSENT: Councilmembers Lopez and Viramontes

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 and entered in said minutes.

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: September 16, 2008.

City Clerk of the
City of Richmond

(SEAL)