

CITY COUNCIL RESOLUTION NO. 85-15

RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$35,000,000 CITY OF RICHMOND, CALIFORNIA, 2015-16 TAX AND REVENUE ANTICIPATION NOTE; APPROVING THE FORMS OF AND DIRECTING THE DISTRIBUTION OF A NOTE PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT AND A CUSTODY AGREEMENT; DELEGATING TO OFFICERS OF THE CITY AUTHORIZATION TO NEGOTIATE A SALE OR PLACEMENT OF SAID NOTE; AND AUTHORIZING TAKING OF NECESSARY ACTIONS AND EXECUTION OF NECESSARY DOCUMENTS

WHEREAS, the City of Richmond (the “City”) is a political subdivision of the State of California; and

WHEREAS, pursuant to Sections 53850 et seq. of the Government Code of the State of California (the “Government Code”), this City Council (the “City Council”) has found and determined that the sum of not to exceed thirty-five million dollars (\$35,000,000) is needed for the requirements of the City to satisfy obligations payable from the general fund of the City (the “General Fund”) and that it is necessary that said sum be borrowed for such purpose at this time by the issuance of the note (the “Note”) therefor in anticipation of the receipt of taxes, revenue, cash receipts and other moneys to be received by the City for the General Fund of the City allocable to Fiscal Year 2015-16 or accrued to or held by the City and provided for or attributable to Fiscal Year 2015-16; and

WHEREAS, pursuant to Section 53858 of the Government Code, it appears, and the City Council hereby finds and determines, that said sum of thirty-five million dollars (\$35,000,000) when added to the interest estimated to be payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys of the City for the General Fund of the City attributable to Fiscal Year 2015-16 and available for the payment of the principal of and interest on the Note; and

WHEREAS, no money has heretofore been borrowed by the City through the issuance of any notes in anticipation of the receipt of, or payable or secured by, taxes, income, revenue, cash receipts or other moneys of the City received or accrued during or allocable to Fiscal Year 2015-16; and

WHEREAS, the City wishes to authorize the issuance of the Note after July 1, 2015; and

WHEREAS, pursuant to Section 53856 of the Government Code, certain revenues which will be received by the City for the General Fund and attributable to Fiscal Year 2015-16 can be pledged for the payment of the principal of and interest on the Note; and

WHEREAS, the City wishes to authorize the issuance of the Note in an aggregate principal amount not to exceed \$35,000,000; and

WHEREAS, the Note shall be sold by negotiated sale pursuant to the terms of a Note Purchase Agreement (the “Note Purchase Agreement”); and

WHEREAS, a Preliminary Official Statement describing the Note will be distributed to potential purchasers of the Note; and

WHEREAS, moneys pledged for the payment of principal and interest on the Note will be held pursuant to terms of a Custody Agreement (the “Custody Agreement”); and

WHEREAS, this City Council has been presented with forms of the Preliminary Official Statement, the Note Purchase Agreement, the Continuing Disclosure Agreement and the Custody Agreement, and said forms are on file with the City Clerk, and the City Council has examined and approved the form of each document and desires to authorize and direct the execution of such documents and the issuance of the Note; 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. Recitals. The foregoing recitals are true and correct and this City Council hereby so finds and determines.

Section 2. Authorization and Issuance.

(A) Solely for the purpose of anticipating taxes, income, revenues, cash receipts and other moneys to be received by the City for the General Fund of the City allocable to Fiscal Year 2015-16 or accrued to or held by the City and provided for or attributable to Fiscal Year 2015-16, and not pursuant to any common plan of financing, the City hereby determines to and shall borrow a principal sum not to exceed thirty-five million dollars (\$35,000,000), by the issuance of a note under Sections 53850 et seq. of the Government Code, designated the "City of Richmond, California, 2015-16 Tax and Revenue Anticipation Note."

(B) The Note shall be initially issued and registered as provided in Section 9 hereof and otherwise shall be in the denominations of \$5,000 or any integral multiple thereof, and shall be dated the date of issuance thereof, shall mature (without option of prior redemption) not more than thirteen (13) months thereafter, and shall bear interest computed on the basis of a 360-day year composed of twelve 30-day months, at the rate per annum determined in accordance with this Resolution. Interest on the Note shall not exceed five percent (5%) per annum.

(C) Interest due on the Note, prior to the maturity thereof, shall be payable to the person in whose name such Note is registered on the registration books of MUFG Union Bank, N.A., as initial paying agent for the Note (the "Paying Agent"), as of the close of business on the 15th day of the calendar month immediately preceding the interest payment date, the maturity date or such other record date as shall be specified in the executed Note (the "Record Date"), such interest to be paid by check mailed to such registered owner. Both the principal of the Note and interest due on the Note at maturity shall be payable in lawful money of the United States of America, only to the registered owners of the Note upon surrender thereof at the office of the Paying Agent in San Francisco, California, upon the maturity thereof. No interest shall be payable on the Note for any period after maturity during which the registered owner thereof fails to properly present the Note for payment.

(D) At any time after the sale of the Note, the City shall execute the Note for issuance hereunder and shall deliver them to the Paying Agent, and thereupon the Note shall be authenticated and delivered by the Paying Agent to the purchaser thereof upon the written request of the City and upon receipt of payment therefor from the purchaser thereof.

Section 3. Sale of Note.

(A) Negotiated Sale or Placement of Note. The City Council hereby authorizes the City Manager, the Finance Director, or any of their designees (each, an "Authorized Officer") to sell the Note with (i) by negotiated sale to Raymond James & Associates, Inc., acting as underwriter in connection with a public offering of the Note or (ii) in a private placement or pursuant to a direct purchase by a purchaser as the Authorized Officer, in consultation with Raymond James & Associates, Inc., acting as placement agent, shall determine (the "Purchaser"), in each case on such terms to be finally determined in consultation with the Public Resources Advisory Group (the "Financial Advisor"), and set forth in a Note Purchase Agreement between the City and the underwriter or Purchaser, as the case may be; provided that the underwriter's or Purchaser's discount for the sale of the Note shall not be in excess of 0.25% of the par value of the Note (exclusive of reasonable underwriting expenses) in the case of a negotiated sale, and the placement agent fee shall not exceed the amount of 0.50% of the par value of the Note in the case of a placement or direct purchase. The proposed form of the Note Purchase Agreement for the Note, in substantially the form presented to this meeting (a copy of which is on file with the City Clerk), is hereby approved and adopted as the form of Note Purchase Agreement for the Note with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Disposition of Proceeds of Note. The City shall, immediately upon receiving the proceeds of the sale of the Note, place in the City General Fund maintained in the

City Treasury all amounts received from such sale. Such amounts held in the City General Fund shall be invested as permitted by Section 53601 or Section 53635 of the Government Code or in the Permitted Investments identified in Section 6(C); provided that no such investments shall consist of reverse repurchase agreements. Such amounts may be commingled with other funds of the City.

Amounts in the City General Fund attributable to the sale of the Note shall be withdrawn and expended by the City for any purpose for which the City is authorized to expend funds from the General Fund of the City, but (except for costs related to the issuance of the Note) only after exhausting funds otherwise available for such purposes (which are not restricted funds), and only to the extent that on any given day such other funds are not then available, and for purposes of this section, otherwise available funds excludes amounts that are held or set aside in a reasonable working capital reserve (as described in the tax certificate of the City delivered upon issuance of the Note and, in any event, not exceeding five percent (5%) of the City's total working capital expenditures from its available funds in Fiscal Year 2014-15). If on the date that is six months from the date of issuance of the Note all amounts attributable to the proceeds of the Note (including investment earnings thereon) have not been so expended, the City shall promptly notify Orrick, Herrington & Sutcliffe LLP ("Bond Counsel") and, to the extent of its power and authority, comply with the instructions from Bond Counsel as to the means of satisfying the rebate requirements of Section 148 of the Internal Revenue Code of 1986 (the "Code").

Section 5. Sources of Payment; Custody Agreement.

(A) The principal of and interest on the Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the City for the General Fund during Fiscal Year 2015-16 or accrued to or held by the City and provided for or attributable to Fiscal Year 2015-16 and which are lawfully available for the payment of current expenses and other obligations of the City (the "General Fund Revenues").

(B) As security for the payment of the principal of and interest on the Note, the City hereby pledges to deposit in a special account established by the Finance Director designated as the "City of Richmond FY2015-16 TRAN Account" (the "Custodial Account") under the Custody Agreement, between the City and MUFJ Union Bank, N.A., as custodian/agent (the "Custodian"), effective upon the date of receipt and acceptance by the Custodian of certain deposits, including (i) an amount equal to twenty percent (20%) of the principal amount of the Note from General Fund Revenues received by the City during the month ending January 31, 2016, inclusive (the "First Pledge Period"), (ii) an amount equal to twenty percent (20%) of the principal amount of Note from General Fund Revenues received by the City during the month ending February 29, 2016, inclusive (the "Second Pledge Period"), and (iii) an amount equal to sixty percent (60%) of the principal amount of the Note from General Fund Revenues received by the City during the month ending April 30, 2016, inclusive (the "Third Pledge Period" and together with the First Pledge Period and the Second Pledge Period, each a "Pledge Period" and collectively, the "Pledged Periods") together with an amount sufficient (net of anticipated earnings on moneys in the Custodial Account) (x) to satisfy and make up any deficiency in the Custodial Account with respect to any prior Pledge Period and (y) to pay the interest on the Note due at or prior to maturity. The amounts pledged by the City for deposit into the Custodial Account from the General Fund Revenues received during each indicated accounting period, which accounting periods are subject to change at the discretion of an Authorized Officer as described below, are hereinafter called the "Pledged Revenues." The Authorized Officer is hereby authorized upon a determination that it is in the best interests of the City to adjust the Pledge Periods and percentages and to set forth the definitive Pledge Periods and percentages in the Note Purchase Agreement for the Note. The proposed form of the Custody Agreement, in substantially the form presented to this meeting (a copy of which is on file with the City Clerk), is hereby approved and adopted as the form of Custody Agreement for the Note with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

(C) In the event that there have been insufficient General Fund Revenues received by the City by the third business day prior to the end of any such Pledge Period to permit the deposit into the Custodial Account of the full amount of the Pledged Revenues required to be deposited with respect to such Pledge Period, then the amount of any deficiency in the Custodial Account shall be satisfied and made up from any other moneys of the City lawfully available for the payment of the principal of the Note and the interest thereon (all as provided in Sections 53856

and 53857 of the Government Code) (the "Other Available Moneys") on such date or thereafter on a daily basis, when and as such Pledged Revenues and Other Available Moneys are received by the City.

Section 6. Pledged Revenues.

(A) The Pledged Revenues shall be deposited by the Finance Director in the Custodial Account on or prior to the last business day of each respective Pledge Period as set forth herein or in the Note Purchase Agreement for the Note, and applied as directed in this Resolution; and the Other Available Moneys, if any, shall be deposited by the Finance Director in the Custodial Account on the last business day of such Pledge Period and on each business day thereafter, until the full amount of the moneys required by Section 5(B) has been so deposited in the Custodial Account. The principal of and interest on the Note constitute a first lien and charge on, and shall be payable from Pledged Revenues, and to the extent not so paid shall be paid from Other Available Moneys. Moneys in the Collateral Account shall be applied only as hereinafter in this Section 6 provided.

(B) The Custodian shall transfer moneys in the Custodial Account to the Paying Agent on the interest payment date of the Note to pay interest on the Note and on the maturity date of the Note to pay the principal of and interest on the Note. Any moneys remaining in the Custodial Account after all such payments, or after provision for such payments have been made, shall be transferred to the General Fund of the City. If for any reason amounts in the Custodial Account are insufficient to pay the Note in full, such amounts shall be applied to the payment of the Note based on the total principal of and interest payable upon the Note, taking into account anticipated earnings to be received on amounts in the Custodial Account prior to the final maturity date of the Note.

(C) Moneys in the Custodial Account shall be invested in Permitted Investments as defined below, which will, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. The proceeds of any such investments shall be retained in the Custodial Account until payment of the principal of and interest on the Note (or provision therefor) has been made in accordance with paragraph (B), at which time any excess amount shall be transferred to the General Fund of the City.

(D) Permitted Investments mean any of the following:

(1) United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

(2) Obligations of instrumentalities or agencies of the United States of America limited to the following: (a) the Federal Home Loan Bank (FHLB); (b) Federal Farm Credit Bank (FFCB); (c) Government National Mortgage Association (GNMA); (d) Federal Agricultural Mortgage Association; and (e) guaranteed portions of Small Business Administration (SBA) notes.

(3) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances. Purchases of bankers acceptances may not exceed a maturity of 180 days. The financial institution must have a minimum short-term rating of "P-1" and "A-1" by S&P, and a long-term rating of no less than "A."

(4) Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by S&P ("A-1"). Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000). Purchases of eligible commercial paper may not exceed a maturity of 270 days.

(5) Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank in each case which has, or which is a subsidiary of a parent company which has, the highest letter and numerical rating from S&P ("A-1").

(6) Investments in repurchase agreements of any securities listed in (1) through (4) above. Investments in repurchase agreements may be made with financial institutions which are rated in one of the two highest long-term rating categories by S&P, when the term of the agreement does not exceed 30 days and are fully secured at or greater than 102% of the market value plus accrued interest by obligations of the United States Government, its agencies and instrumentalities, in accordance with number (2) above.

(7) Money market funds rated at least "AAm" or "AAm-G" by S&P.

(8) Forward purchase and delivery agreements (i) the securities delivered under which are described in Section (1) through (4) above, and (ii) entered into with, or the obligations of which are guaranteed by, a domestic bank, financial institution, broker, dealer or insurance company the financial capacity to honor its senior obligations of which is rated at least "AA-" by S&P.

(9) Investment agreements with, or the obligations of which are guaranteed by, (a) a domestic bank, financial institution or insurance company the financial capacity to honor its senior obligations of which is rated at least "AA-" by S&P; or (b) a foreign bank the long-term debt of which is rated at least "AA-" by S&P (each, a "Qualified Provider"); provided, that, by the terms of the investment agreement:

(i) if for the Custodial Account, interest and principal payments are to be made to the Paying Agent at times and in amounts as necessary to pay debt service on the Note;

(ii) if for the proceeds of the Note, the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided, that, the Paying Agent shall give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(iii) the investment agreement states that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(iv) a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to such funds;

(v) the term of the investment agreement does not exceed the term of the Note;

(vi) the City or the Paying Agent receives the opinion or opinions of domestic counsel (which opinion shall be addressed to the City and the Paying Agent) that such investment agreement is legal, valid, binding and enforceable upon the provider and the guarantor, if any, in accordance with its terms; and

(vii) the investment agreement provides that if during its term the provider's (or, if guaranteed, the guarantor's) rating by S&P falls below "AA-," the provider must within 10 business days assign the investment agreement to a Qualified Provider reasonably acceptable to the City or collateralize the investment agreement by delivering or transferring in accordance with applicable State and federal laws (other than by means of entries on the provider's books) to the City, the Paying Agent or a third party acting solely as agent therefor United States Treasury and Agency Obligations which are free and clear of any third-party liens or claims at such collateral levels and valued at such frequencies as shall be necessary to maintain the highest short-term ratings on the Note by S&P.

(10) Deposits in the State of California Treasurer's Local Agency Investment Fund (LAIF).

(11) Shares of beneficial interest issued by the Investment Trust of California (CalTRUST) pursuant to California Government Code Section 6509.7 and authorized for local agency investment pursuant to California Government Code Section 53601(o).

(12) The City of Richmond Investment Portfolio.

(13) The County of Contra Costa Investment Pool.

Section 7. Form of Note and Certificate of Authentication and Registration. The Note shall be issued in fully registered form without coupons and the Note and the Certificate of Authentication and Registration shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures.

Only the Note bearing thereon a certificate of authentication and registration in the form hereinafter recited, executed manually and dated by the Paying Agent, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Paying Agent shall be conclusive evidence that the Note so authenticated has been duly authorized, executed, issued and delivered hereunder and is entitled to the benefit, protection and security hereof.

Section 8. Execution of Note. Each Authorized Officer or their designee is hereby authorized to execute the Note by use of their manual or facsimile signature, and the City Clerk of the City (the "City Clerk") or one of his or her assistants is hereby authorized to countersign, by manual or facsimile signature, the Note and to affix the seal of the City thereto by impressing the seal or by imprinting a facsimile of the seal thereon. Said officers are hereby authorized to cause the blank spaces in Exhibit A to be filled in as may be appropriate and to deliver the Note to the respective purchasers thereof. In the case of such Note executed by facsimile signature of both an Authorized Officer and the City Clerk, the Note shall not be valid unless and until the Paying Agent or his designee shall have manually authenticated such Note.

In case any officer whose signature appears on the Note shall cease to be such officer before the delivery of the Note to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Note.

Section 9. Use of Depository; Registration, Exchange and Transfer.

(A) The Depository Trust Company, New York, New York, is hereby appointed depository for the Note. The Depository Trust Company shall act as depository pursuant to the Blanket Issuer Letter of Representations on file with the Depository Trust Company. The Note shall be initially issued and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York and shall be evidenced by a single Note in the aggregate principal amount of the Note bearing interest at the same rate and maturing on the same date. Registered ownership of the Note, or any portion thereof, may not thereafter be transferred except as set forth in Section 9(B).

(B) The Note shall be initially issued and registered as provided in Section (A) hereof. Registered ownership of the Note, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or of any substitute depository designated pursuant to clause (2) of this subsection (B) ("Substitute Depository"); provided that any successor of Cede & Co., as nominee of The Depository Trust Company or Substitute Depository, shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository not objected to by the Finance Director, upon (i) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (ii) determination by the Finance Director to substitute another depository for The Depository Trust Company (or its successor) because the Depository Trust Company (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository

shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (i) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (ii) a determination by the Finance Director to discontinue using The Depository Trust Company or a depository.

(C) In the case of any transfer pursuant to clause (1) or clause (2) of subsection (B) of this Section, upon receipt of the outstanding Note by the Paying Agent (together, in the case of a successor paying agent appointed by the City pursuant to Section 12 hereof, with a written request of the Finance Director to such successor paying agent designating the Substitute Depository), a new Note, which the City shall prepare or cause to be prepared, shall be executed and delivered, registered in the name of any such successor to Cede & Co. or such Substitute Depository, or their respective nominees, as the case may be, all as specified by the Finance Director or, in the case of a successor paying agent appointed by the City pursuant to Section 12 hereof, as specified in the written request of the Finance Director. In the case of any transfer pursuant to clause (3) of Subsection (B) of this Section 9 upon receipt of the outstanding Note by the Paying Agent (together, in the case of a successor paying agent appointed by the City pursuant to Section 12 hereof, with a written request of the Finance Director to such successor paying agent), a new Note, which the City shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as specified by the Finance Director or, in the case of a successor paying agent appointed by the City pursuant to Section 12 hereof, as are requested in such written request of the Finance Director, subject to the limitations of this Section 9, provided that the Paying Agent shall deliver such new Note as soon as practicable.

(D) The City and the Paying Agent shall be entitled to treat the person in whose name the Note is registered as the owner thereof for all purposes of the Resolution and for purposes of payment of principal of and interest on the Note, notwithstanding any notice to the contrary received by the Paying Agent or the City; and the City and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Note. Neither the City nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including The Depository Trust Company or its successor (or Substitute Depository or its successor), except to the owner of the Note, and the Paying Agent may rely conclusively on its records as to the identity of the owners of the Note.

(E) Notwithstanding any other provision of this Resolution and so long as all outstanding Note is registered in the name of Cede & Co. or its registered assigns, the City and the Paying Agent shall cooperate with Cede & Co. or its registered assigns, as sole registered owner, in effecting payment of the principal of and interest on the Note by arranging for payment in such manner that funds for such payments are properly identified and are made available on the date they are due all in accordance with the Blanket Issuer Letter of Representations, the provisions of which the Paying Agent may rely upon to implement the foregoing procedures notwithstanding any inconsistent provisions herein.

(F) In the case of any transfer pursuant to clause (3) of subsection (B) of this Section, the Note may, in accordance with its terms, be transferred or exchanged for a like aggregate principal amount and tenor in authorized denominations of the same series, upon the books required to be kept by the Paying Agent pursuant to the provisions hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the Note for cancellation, and, in the case of a transfer, accompanied by delivery of a written instrument of transfer, duly executed and in form approved by the Paying Agent.

Whenever the Note shall be surrendered for transfer or exchange, the City shall execute and the Paying Agent shall authenticate, if required, and deliver a new Note of authorized denominations, for a like aggregate principal amount and tenor. The Paying Agent shall require the owner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(G) The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Note, which shall at all times be open to inspection by the City.

Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, the Note as hereinbefore provided.

(H) If the Note shall become mutilated, the City, at the expense of the owner of such Note, shall execute, and the Paying Agent shall thereupon authenticate, if required, and deliver a new Note of like series, tenor and number in exchange and substitution for the Note so mutilated, but only upon surrender to the Paying Agent of the Note so mutilated. Every mutilated Note so surrendered to the Paying Agent shall be cancelled by the Paying Agent and delivered to, or upon the order of, the City. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the City and the Paying Agent and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the City, at the expense of the owner, shall execute, and the Paying Agent shall thereupon authenticate, if required, and deliver a new Note of like series, tenor and number in lieu of and in substitution for the Note so lost, destroyed or stolen (or if any such Note shall have matured or shall be about to mature, instead of issuing a substitute Note, the Paying Agent may pay the same without surrender thereof). The Paying Agent may require payment by the registered owner of a Note of a sum not exceeding the actual cost of preparing each new Note issued pursuant to this paragraph and of the expenses which may be incurred by the City and the Paying Agent. Any Note issued under these provisions in lieu of any Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City whether or not the Note so alleged to be lost, destroyed or stolen be, at any time, enforceable by anyone, and shall be entitled to the benefits of this Resolution.

Any Note surrendered for payment or registration of transfer, if surrendered to any person other than the Paying Agent, shall be delivered to the Paying Agent and shall be promptly cancelled by the Paying Agent. The City may at any time deliver to the Paying Agent for cancellation any Note previously authenticated and delivered hereunder which the City may have acquired in any manner whatsoever, and any Note so delivered shall promptly be cancelled by the Paying Agent. No Note shall be authenticated in lieu of or in exchange for any Note cancelled as provided herein, except as expressly permitted hereunder. The Paying Agent shall destroy any cancelled Note held by it and deliver a certificate of destruction to the City.

Section 10. General Covenants. It is hereby covenanted and warranted by the City Council that all representations and recitals contained in this Resolution are true and correct and that the City Council and the City, and the appropriate officials thereof, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for the levy, collection and enforcement of the taxes, income, revenue, cash receipts and other moneys pledged hereunder in accordance with law and for carrying out the provisions of this Resolution and the Note and shall cause to be paid, in accordance with their terms, the principal of and interest on the Note.

The City hereby covenants to deposit funds in the Custodial Account at the times and in the amounts specified herein to provide sufficient moneys to pay the principal of and interest on the Note when due.

Section 11. Tax Covenants; Rebate Fund.

(A) The City hereby covenants that it will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Note under Section 103 of the Code. Without limiting the generality of the foregoing, the City hereby covenants that it will comply with the requirements of the Tax Certificate of the City with respect to the Note (the "Tax Certificate"), to be entered into by the City as of the date of issuance of the Note. The provisions of this Section 11 shall survive payment in full or defeasance of the Note.

(B) The City covenants that it shall make or cause to be made all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of the Note due to the United States Treasury, shall segregate and set aside from lawfully available sources the amount such calculations may indicate may be required to be paid to the United States Treasury and shall otherwise at all times do and perform all acts and things necessary and within its power and authority, including complying with each applicable requirement of Section 103 and Sections 141 through 150 of the Code and complying with the

instructions of Bond Counsel referred to in Section 4 hereof, to assure that interest paid on the Note shall, for the purposes of federal income taxes and California personal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation. As part of the performance of the covenant contained in the preceding sentence, as soon as practicable after six months from the date of the issuance of the Note, the City will reasonably and prudently calculate the amount of the Note proceeds which have been expended, with a view to determining whether or not the City has met the requirements of Section 148(f)(4)(B) of the Code with respect to the Note, and if it has not met such requirements, it will reasonably and prudently calculate or cause to be calculated the amount, if any, of investment earnings which must be rebated to the United States and will immediately set aside, from revenues attributable to the 2015-16 Fiscal Year or, to the extent not available from such revenues, from any other moneys lawfully available, the amount of any such rebate in the Fund referred to in paragraph (C) of this Section 11.

(C) If funds are required to be deposited therein, the Finance Director shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the "2015-16 Tax and Revenue Anticipation Note Rebate Fund." There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein in accordance with the written instructions from Bond Counsel pursuant to Section 4 hereof.

(D) Notwithstanding any other provision of this Resolution to the contrary, upon the City's failure to observe, or refusal to comply with, the covenants contained in this Section, no one other than the owners or former owners of the Note shall be entitled to exercise any right or remedy under this Resolution on the basis of the City's failure to observe, or refusal to comply with, such covenants.

(E) Notwithstanding any provision of this section, if the City shall provide to the Paying Agent an opinion of Bond Counsel that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the Note, the Paying Agent and the City may conclusively rely on such opinion in complying with the requirements of this section, and the covenants hereunder shall be deemed to be modified to that extent.

Section 12. Paying Agent. MUFG Union Bank, N.A., is hereby appointed as Paying Agent for the Note. The City hereby directs and authorizes the payment by the Paying Agent of the interest on and principal of the Note when such become due and payable, from the transfers made to the Paying Agent from the Custodial Account in the manner set forth herein. Payment of the Note shall be in accordance with the terms of the Note and this Resolution.

This appointment shall not preclude the City from appointing one or more successor financial institutions to act as Paying Agent, all without notice to or the consent of the registered owners of the Note. Any such successor paying agent shall be a bank or trust company organized under the laws of the United States of America or a State thereof and with a minimum of \$500 million of capital.

The Paying Agent is also appointed as registrar and upon the request of any registered owner is authorized to record the transfer or exchange of the Note in accordance with the provisions hereof.

Section 13. Authorization of Preliminary Official Statement and Official Statement. The proposed form of preliminary official statement (the "Preliminary Official Statement") relating to the Note on file with the City Clerk, is hereby approved with such changes, additions, completion and corrections as any Authorized Officer may approve. Such Preliminary Official Statement, together with any supplements thereto, shall be in form "deemed final" by the City for purposes of Rule 15c2-12, promulgated by the Securities and Exchange Commission ("S.E.C. Rule 15c2-12"), but is subject to revision, amendment and completion in a final Official Statement (the "Official Statement"). The Official Statement in substantially said form is hereby authorized and approved, with such changes therein as any Authorized Officer may approve, which approval shall be conclusively evidenced by execution and delivery thereof to the purchaser of the Note. Each Authorized Officer, acting alone, is hereby authorized and directed, for and in the name and on behalf of the City, to execute a certificate confirming that the Preliminary Official Statement has been "deemed final" by the City for purposes of S.E.C. Rule 15c2-12 and to deliver to the Purchaser the Preliminary Official Statement. If the Authorized

officer decides to sell the Note pursuant to a negotiated sale, the Purchaser is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Note and are directed to deliver copies of the Official Statement to the purchasers of the Note.

Section 14. Continuing Disclosure. The proposed form of the Continuing Disclosure Agreement, in substantially the form presented to this meeting (a copy of which is on file with the City Clerk) is hereby approved. Each Authorized Officer, acting alone, is hereby authorized to execute a Continuing Disclosure Agreement on behalf of the City in connection with the issuance of the Note, with such changes, additions and completions as such officer executing such certificates shall approve and containing such covenants of the City as shall be necessary to comply with the requirements of S.E.C. Rule 15c2-12. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Agreement.

Section 15. Further Actions. 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 and issuance of the Note, including, but not limited to, the execution and delivery of a tax certificate and paying agent agreement, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the City has approved in this Resolution including the investment of proceeds of the Note. Notwithstanding any provision of this resolution authorizing an Authorized Officer to take any action or execute any document to the contrary, in the absence of such Authorized Officer or in lieu of such Authorized Officer, the person designated in writing by such Authorized Officer, may take such action or execute such document with like effect as fully as though named in this resolution instead of such Authorized Officer.

Section 16. Approval of Actions. All actions heretofore taken by the officers and agents of the City or the City Council with respect to the sale and issuance of the Note are hereby approved, confirmed and ratified, and the officers of the City and the City Council are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note in accordance with this Resolution.

Section 17. Proceedings Constitute Contract. The provisions of the Note and of this Resolution shall constitute a contract between the City and the registered owner of the Note, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction, and, upon issuance of the Note, shall be irrevocable.

Section 18. Severability. If any one or more of the agreements, conditions, covenants or terms contained herein required to be observed or performed by or on the part of the City shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void and shall be deemed severable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Note, and the owners of the Note shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The City Council hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Note pursuant hereto irrespective of the fact that any one or more of the sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

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I CERTIFY that the foregoing resolution was adopted at a special meeting of the City Council on August 3, 2015 by the following vote:

AYES: Councilmembers Bates, Beckles, Martinez, McLaughlin, Pimplé,
Vice Mayor Myrick, and Mayor Butt.

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

PAMELA CHRISTIAN
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

TOM BUTT
Mayor

Approved as to form:

BRUCE GOODMILLER
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. 85-15**, finally passed and adopted by the City Council of the City of Richmond at a special meeting held on August 3, 2015.



Pamela Christian, City Clerk of the City of Richmond

EXHIBIT A

REGISTERED

REGISTERED

No. R-__

\$ _____

CITY OF RICHMOND, CALIFORNIA,
2015-16 TAX AND REVENUE ANTICIPATION NOTE SERIES A

Rate of Interest: Note Date: Maturity Date: CUSIP No.:
_____% _____, 2015 _____, 2016

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

FOR VALUE RECEIVED, the City of Richmond (the "City"), State of California, acknowledges itself indebted to and promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, together with interest thereon payable on _____ and at the maturity thereof, at the Rate of Interest per annum set forth above (computed on the basis of a 360-day year composed of twelve 30-day months) in like lawful money from the Note Date specified above until payment in full of said principal sum. Interest on this Note, due on _____, 2016, shall be paid to the person in whose name this Note is registered as of the close of business on the 15th day of the calendar month immediately preceding the interest payment date or the maturity date of the Note by check mailed to such registered owner. The principal of and interest on this Note shall be payable only to the registered owner hereof upon surrender of this Note at the office of MUFG Union Bank, N.A., as paying agent (together with any successor appointed by the City, the "Paying Agent") as the same shall fall due; provided, however, that no interest shall be payable for any period after maturity during which the registered owner hereof fails to properly present this Note for payment. Interest on the Note shall not exceed ten percent (10%) per annum.

It is hereby certified, recited and declared that this Note is issued in the aggregate principal amount of \$ _____ and is an authorized issue of the Note entitled "City of Richmond, California, 2015-16 Tax and Revenue Anticipation Note" (the "Note"), authorized in the aggregate principal amount of _____ Dollars (\$ _____), all of like tenor, made, executed and given pursuant to the authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code and all laws amendatory thereof or supplemental thereto, and under and pursuant to the provisions of a Resolution of the City Council of the City adopted on _____, 2015 (herein called the "Resolution"), authorizing the issuance of the Note, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

The principal of and interest on the Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the City for the General Fund of the City for the Fiscal Year 2015-16 and which are lawfully available for the payment of current expenses and other obligations of the City (the "General Fund Revenues"). As security for the payment of the principal of and interest on the Note, the City has pledged to deposit in the Custodial Account (as defined in the Resolution): (i) an amount equal to _____ percent (____%) of the aggregate principal amount of the Note from the first General Fund Revenues received by the City during the month ending _____, 20__, inclusive (the "First Pledge Period"), (ii) an amount equal to _____ percent (____%) of the principal amount of Note from the first General Fund Revenues

received by the City during the month ending ____, 20__, inclusive (the "Second Pledge Period"), (iii) an amount equal to ____ percent __%) of the principal amount of Note from the first General Fund Revenues received by the City during the month ending ____, 20__, inclusive (the "Third Pledge Period" and together with the First Pledge Period and the Second Pledge Period, each a "Pledge Period"), together with an amount sufficient (net of anticipated earnings on moneys in the Custodial Account) (x) to satisfy and make up any deficiency in the Custodial Account with respect to any prior Pledge Period and (y) to pay the interest on the Note due at or prior to maturity (such pledged amounts being hereinafter called the "Pledged Revenues"). In the event that there are insufficient Pledged Revenues received by the City by the third business day prior to the end of any such Pledge Period to permit the deposit into the Custodial Account of the full amount of the aforesaid moneys to be deposited, then the amount of any deficiency in the Custodial Account shall be satisfied and made up from any other moneys of the City lawfully available for the payment of the principal of and interest on the Note (such other available moneys being hereinafter called the "Other Available Moneys"). The principal of and interest on the Note shall constitute a first lien and charge on, and shall be payable from Pledged Revenues, and to the extent not so paid shall be paid from Other Available Moneys.

This Note is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Note. Upon such transfer a new Note of authorized denominations and for the same aggregate principal amount and tenor will be issued to the transferees in exchange herefor.

The City and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been signed by the Paying Agent.

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IN WITNESS WHEREOF, the City of Richmond has caused this Note to be executed by the manual or facsimile signature of its Finance Director and countersigned by the manual or facsimile signature of the City Clerk and caused the official seal of its City Council to be impressed hereon, all as of the Note Date specified above.

CITY OF RICHMOND

By: _____
Finance Director

(SEAL)

Countersigned:

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This Note is the Note described in the within-mentioned Resolution, which Note has been authenticated and registered on the date set forth below.

Date of Authentication and Registration: _____, 20__

MUFG UNION BANK, N.A., as Paying Agent

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ (insert Social Security Number or taxpayer identification number) the within-mentioned registered Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Dated:

Signature

NOTE: The signature to the assignment must correspond to the name as written on the face of this Note in every particular, without any alteration or change whatsoever.

Signature Guaranteed By:

NOTE: The signature to the assignment must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

[FORM OF DTC LEGEND]

Unless the certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, since the registered owner hereof, Cede & Co., has an interest herein.

CLERK'S CERTIFICATE

The undersigned City Clerk of the City of Richmond, hereby certifies as follows:

The foregoing 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 and legally held at the regular meeting place thereof on August 3, 2015, of which meeting all of the members of the City Council of said City had due notice and at which a majority thereof were present.

At said meeting said **Resolution No. 85-15** was adopted by the following vote:

Ayes: Councilmembers Bates, Beckles, Martinez, McLaughlin, Pimplé, Vice Mayor Myrick, and Mayor Butt.

Noes: None.

Abstentions: None.

Absent: None.

I have carefully compared the same with the original resolution 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.

I further certify that an agenda of said meeting was posted at least 72 hours prior to the date of the meeting at 450 Civic Center Plaza in the City of Richmond, California, a place freely accessible to members of the public, and that a short description of said resolution appeared on said agenda.

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: August 5, 2015



Pamela Christian, City Clerk
City of Richmond