

RESOLUTION NO. 118-15

A RESOLUTION OF THE CITY COUNCIL AUTHORIZING FORMS OF TWO NOVATION CONFIRMATIONS; FORMS OF AN ISDA MASTER AGREEMENT, A SCHEDULE, AND TWO CONFIRMATIONS; AND FORMS OF TWO TERMINATION AGREEMENTS; AUTHORIZING FORMS OF REGULATORY COMPLIANCE DOCUMENTATION; AUTHORIZING THE LEASE OF CERTAIN CITY PROPERTY; AUTHORIZING THE USE OF A PORTION OF THE PROCEEDS OF THE SERIES 2016 BONDS FOR THE PAYMENT OF A TERMINATION PAYMENT; AND APPROVING THE TAKING OF ALL NECESSARY OR DESIRABLE ACTIONS IN CONNECTION THEREWITH

WHEREAS, on November 17, 2015, the City Council of the City of Richmond (the "City Council") approved by the adoption of Resolution No. 108-15 (the "November Resolution") the issuance and sale by the Richmond Joint Powers Financing Authority (the "Authority") of its Lease Revenue Bonds, Series 2015, which will not be issued until 2016 (the "Series 2016 Bonds"); and

WHEREAS, in connection with the approval of the issuance of the Series 2016 Bonds, the City Council authorized the termination of the swap agreements (the "Civic Center Swap Agreements") associated with the Authority's Lease Revenue Refunding Bonds (Civic Center Project), Series 2009 (the "Civic Center Bonds") pursuant to two termination agreements between Royal Bank of Canada ("RBC") and the Authority (the "Original Termination Agreements") and further authorized the novation and amendment of the ISDA Master Agreement and related Schedule, Credit Support Annex, and two Confirmations (collectively, the "POB Swap Agreements,"") associated with the City of Richmond Taxable Pension Funding Bonds, Series 2005B-1 and Taxable Pension Funding Bonds, Series 2005B-2 (together, the "Pension Obligation Bonds"); and

WHEREAS, the November resolution provided that the Authority will finance certain payments to RBC in connection with the termination of the Civic Center Swap Agreements (the "Termination Payment") from a portion of the proceeds of the Series 2016 Bonds and the City Council now wishes to approve such Termination Payment; and

WHEREAS, the November resolution provided that JPMorgan Chase Bank, N.A. ("JPM") would novate its interest in the POB Swap Agreements to RBC pursuant to a novation agreement among the City of Richmond (the "City"), RBC and JPM (the "Original Novation Agreement") and that RBC and the City would amend the POB Swap Agreements pursuant to an amended and restated schedule and two confirmations (the "Original POB Swap Amendment Documents"); and

WHEREAS, the November Resolution authorized the execution and delivery of the Original Novation Agreement, the POB Swap Amendments and the Original Termination Agreements, but did not approve several of such documents as to form because forms of such documents were not available at such time or alternate forms were not contemplated; and

WHEREAS, RBC has requested the amendment of the POB Swap Agreements pursuant to a new ISDA Master Agreement, Schedule thereto and two Confirmations between the City and RBC (collectively, the "POB Swap Amendments") rather than pursuant to the Original POB Swap Amendment Documents approved in the November Resolution; and

WHEREAS, RBC has agreed to terminate the Civic Center Swap Agreement pursuant to two Termination Agreements between RBC and the Authority (the "Termination Agreements") rather than the Original Termination Agreements; and

WHEREAS, JPM and the City have requested that RBC enter into a novation of JPM's interest in the POB Swap Agreements in favor of RBC, and RBC has agreed to enter into such novation pursuant to two Novation Confirmations among JPM, RBC and the City (the "Novation Confirmations") rather than the Original Novation Agreement; 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, pursuant to Section 5922 of the California Government Code and the November Resolution, the City Council has heretofore determined that the City will enter into the Novation and the POB Swap Amendments in connection with, or incidental to, the issuance and carrying of the Pension Obligation Bonds and that doing so will reduce the amount and duration of interest rate risk with respect to the Pension Obligation Bonds, and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Pension Obligation Bonds and the carrying of the Pension Obligation Bonds or enhance the relationship between risk and return with respect to investments (the “5922 Finding”); and

WHEREAS, the City Council hereby reaffirms the 5922 Finding; and

WHEREAS, proposed forms of the Novation Confirmations, the POB Swap Amendments and the Termination Agreements have been submitted to this meeting, and the City Council has examined and approved such Novation Confirmations, POB Swap Amendments and Termination Agreements and now desires to authorize and direct the execution thereof; and

WHEREAS, proposed forms of Royal Bank of Canada Terms of Business for Swaps, Royal Bank of Canada March 2013 Terms of Business for Derivatives Trading Agreement, each between the City and RBC, and Canadian Representation Letter #1, Trade Reporting and Other Obligations executed by the City (collectively, the “Bilateral Agreements”) have been submitted to this meeting and the City Council has examined and approved the Bilateral Agreements and now desires to authorize and direct the execution of such documents; and

WHEREAS, pursuant to the November Resolution the City Council authorized the lease of certain facilities set forth in Exhibit A thereto (the “Original Facilities”) in connection with the issuance of the Series 2016 Bonds; and

WHEREAS, the City Council now wishes to accept title to the parking garage (as such property is more fully described on Exhibit A hereto, (the “Parking Garage”) from the Parking Authority of the City of Richmond (the “Parking Authority”); and

WHEREAS, the City Council now wishes to authorize the lease of certain additional facilities set forth on Exhibit A hereto as the title reports on the Original Facilities revealed that a number of the Original Facilities may not be used in connection with the issuance of the Series 2016 Bonds; and

WHEREAS, the City Council wishes to reaffirm the November Resolution and to supplement the authorizations, approvals and directions therein hereby; and

WHEREAS, the City has full legal right, power and authority under the laws of the State of California to enter into the agreements hereinafter authorized; and

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 hereby so finds and determines.

Section 2. The City Council reaffirms the 5922 Finding.

Section 3. The City Council hereby approves the execution and delivery of the Novation Confirmations and the POB Swap Amendments in substantially the forms on file with the City Clerk and presented to this meeting, and the City Manager and the Director of Finance, are each hereby authorized and directed, acting singly, for and in the name and on behalf of the City, to enter into the Novation Confirmations and the POB Swap Amendments in consultation with The Majors Group (the “Swap Advisor”) with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The City acknowledges that (a) the POB Swap Amendments shall constitute a Qualified Swap Agreement as such term is defined under the Indenture related to the Pension Obligation Bonds, dated as of November 1, 2005 (the “Indenture”), by and between the

City and the MUFG Union Bank, N.A., formerly known as Union Bank of California, N.A., as trustee, and RBC shall constitute a Qualified Swap Provider as such term is defined under the Indenture, (b) the City's obligation to make all payments under the POB Swap Amendments other than early termination amounts shall constitute Swap Payments as such term is defined under the Indenture and shall be secured by and payable from funds on deposit in the Deposit Fund (as defined in the Indenture), (c) any early termination amount due under the POB Swap Amendments shall be payable from Subordinate Pension Tax Override Revenues and from the City general fund and from other lawfully available funds of the City as provided in the POB Swap Amendments and the Indenture, and (d) the POB Swap Amendments shall be in a notional amount not exceeding the principal amount of the outstanding Pension Obligation Bonds and shall comply with the Swap Policy.

Section 5. The City Council hereby appoints the Swap Advisor as its "qualified independent representative," within the meaning of the CFTC Business Conduct Standards, including without limitation section 23.450, and hereby adopts all policies and procedures required to be adopted by the City under the CFTC Business Conduct Standards, including without limitation those related to the performance, compliance and monitoring of the qualified independent representative.

Section 6. The termination of the Civic Center Swap Agreements is hereby approved and the City hereby approves the execution and delivery of the Termination Agreements by the Authority in substantially the forms on file with the City Clerk and presented at this meeting. The City Council acknowledges and approves the Authority's payment of the Termination Payment from the proceeds of the Series 2016 Bonds. The City Manager and the Director of Finance are each hereby authorized and directed, acting singly, to assist the Authority in negotiating such terminations in such form as the officer of the Authority executing such Termination Agreements shall determine and approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority. The Termination Agreements shall comply with the Swap Policy.

Section 7. The City Council hereby approves the execution and delivery of the Bilateral Agreements in substantially the forms on file with the City Clerk and presented to this meeting, and the City Manager and the Director of Finance are each hereby authorized and directed, acting singly, for and in the name of and on behalf of the City, to execute, and/or enter into, the Bilateral Agreements in consultation with the Swap Advisor, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The City Council hereby accepts title to the Parking Garage and directs the grant deed by which the Parking Garage is to be transferred to the City to be recorded with the Contra Costa County Recorder.

Section 9. The City Council hereby authorizes the lease of certain additional facilities set forth on Exhibit A hereto.

Section 10. The November Resolution and the authorizations, approvals and directions therein are hereby reaffirmed, except as amended or otherwise modified by this Resolution. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the transactions contemplated by this Resolution and the November Resolution, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents or additional confirmations, settlements or revisions, may be given or taken, without further authorization by this City Council, by the Director of Finance and the City Manager, and each such officer is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this Resolution. This Resolution shall take effect from and after its adoption.

I certify that the foregoing resolution was passed and adopted by the City Council of the City of Richmond at a regular joint meeting with the Joint Powers Financing Authority and Parking Authority thereof, held on December 15, 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:

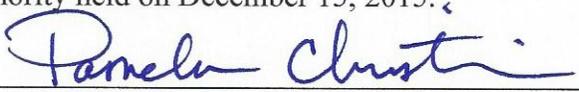
TOM BUTT
Mayor

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. 118-15**, finally passed and adopted by the City Council of the City of Richmond at a regular joint meeting with the Joint Powers Financing Authority and Parking Authority held on December 15, 2015.


Pamela Christian, City Clerk of the City of Richmond

CLERK'S CERTIFICATE

I, Pamela Christian, 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 joint meeting of the City Council with the Joint Powers Financing Authority and Parking Authority of said City duly and regularly held at the regular meeting place thereof on the 15th day of December, 2015, 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 meeting said resolution was adopted by the following vote:

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

NOES: None.

ABSENT: None.

ABSTAINED: None.

An agenda of said meeting was posted before said meeting at City Hall, 450 Civic Center Plaza in the City of Richmond, California, 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: December 15, 2015.



City Clerk of the
City of Richmond

Exhibit A

Additional Facilities:

Site Description	Address
POINT RICHMOND COMMUNITY CENTER/WEST SIDE BRANCH LIBRARY	135-139 WASHINGTON AVENUE, RICHMOND CALIFORNIA
FIRE STATION 64	4801 BAYVIEW AVENUE, RICHMOND CALIFORNIA

Parking Garage:

Site Description	Address
PARKING GARAGE	11 TH STREET AND NEVIN AVENUE, RICHMOND, CALIFORNIA