

RESOLUTION NO. 07-09

A RESOLUTION OF THE BOARD OF THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$70,000,000 OF ITS RICHMOND COMMUNITY REDEVELOPMENT AGENCY SUBORDINATE TAX ALLOCATION BONDS (MERGED PROJECT AREAS), AND NOT TO EXCEED \$11,000,000 OF ITS RICHMOND COMMUNITY REDEVELOPMENT AGENCY HOUSING SET-ASIDE SUBORDINATE TAX ALLOCATION BONDS, AND APPROVING THE FORMS AND SUBSTANCE OF MASTER NON-HOUSING AND HOUSING INDENTURES, SUPPLEMENTAL INDENTURES, AN INTEREST RATE SWAP AND RELATED AGREEMENTS, BOND PURCHASE AGREEMENTS, CONTINUING DISCLOSURE CERTIFICATES AND OFFICIAL STATEMENTS, AND MAKING FINDINGS IN CONNECTION THEREWITH AS REQUIRED UNDER CALIFORNIA COMMUNITY REDEVELOPMENT LAW, AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH BONDS.

WHEREAS, the Richmond Community Redevelopment Agency (the "Agency") is a redevelopment agency, a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California (the "Law"), including the power to issue bonds for any of its corporate purposes;

WHEREAS, the Agency intends to provide for the issuance of its Richmond Community Redevelopment Agency Subordinate Tax Allocation Bonds (Merged Project Areas), in one or more series (the "Non-Housing Bonds"), pursuant to an Indenture of Trust, dated as of June 1, 2007 (the "Master Non-Housing Indenture"), between the Agency and Union Bank of California, N.A., as trustee (the "Trustee"), and a First Supplemental Indenture of Trust (the "First Supplemental Non-Housing Indenture," and together with the Master Non-Housing Indenture, the "Non-Housing Indenture"), between the Agency and the Trustee, supplementing the Master Non-Housing Indenture, for the purpose of financing and refinancing certain public capital improvements within the Richmond Community Redevelopment Agency Merged Project Areas (the "Project Area"), to establish a reserve fund and to pay costs of issuance relating to the Non-Housing Bonds;

WHEREAS, the Agency intends to provide for the issuance of its Richmond Community Redevelopment Agency Housing Set-Aside Subordinate Tax Allocation Bonds, in one or more series (the "Housing Bonds," and together with the Non-Housing Bonds, the "Bonds"), pursuant to an Indenture of Trust, dated as of June 1, 2007 (the "Master Housing Indenture"), between the Agency and the Trustee, and a First Supplemental Indenture of Trust (the "First Supplemental Housing Indenture," and together with the Master Housing Indenture, the "Housing Indenture"), between the Agency and the Trustee (the Housing Indenture and the Non-Housing Indenture collectively referred to herein as the "Indentures"), supplementing the Master Housing Indenture, for the purpose of financing low and moderate income housing within or of benefit to the Richmond Community Redevelopment Agency Merged Project Areas in furtherance of the Agency's housing obligation, to establish a reserve fund and to pay costs of issuance relating to the Housing Bonds;

WHEREAS, the Bonds may be issued as auction rate securities (the "ARS") or as fixed rate bonds;

WHEREAS, in order to provide for auction procedures for any ARS, the Trustee and an auction agent meeting the requirements for eligibility to serve as auction agent set forth in either of the Indentures (the "Auction Agent"), may enter into an auction agent agreement (such auction agent agreement being referred to herein as the "Auction Agent Agreement");

WHEREAS, as the auction procedures require the participation of one or more broker-dealers, the Agency desires to authorize the Trustee to enter into, as appropriate, one or more separate broker-dealer agreements (the form of such a broker-dealer agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Broker-Dealer Agreement") with the Auction Agent and such broker-dealers as may hereafter be identified by the Agency as meeting the requirements therefore under either of the Indentures (each, a "Broker-Dealer");

WHEREAS, in order to reduce the amount of interest rate risk or lower the cost of borrowing in combination with the issuance of the Bonds or ARS, the Agency desires to enter into an interest rate swap agreement pursuant to an ISDA Master Agreement, together with the schedule and confirmation thereto (collectively, the "Interest Rate Swap Agreement" or the "Swap Documents"), each between the Agency and Royal Bank of Canada, as counterparty (the "Counterparty");

WHEREAS, the Interest Rate Swap Agreement complies with the Richmond Community Redevelopment Agency Interest Rate Swap Policy, dated as of May 2006 (the "Swap Policy");

WHEREAS, the Agency desires (i) to enter into the Non-Housing Indenture, the Housing Indenture, a bond purchase agreement with respect to the Non-Housing Bonds (the "Non-Housing Bond Purchase Agreement") and a bond purchase agreement with respect to the Housing Bonds (the "Housing Bond Purchase Agreement", and together with the Non-Housing Bond Purchase Agreement, the "Bond Purchase Agreements"), (ii) to execute a continuing disclosure certificate with respect to the Non-Housing Bonds (the "Non-Housing Bonds Continuing Disclosure Certificate") and a continuing disclosure certificate with respect to the Housing Bonds (the "Housing Bonds Continuing Disclosure Certificate", and together with the Non-Housing Bonds Continuing Disclosure Certificate, the "Continuing Disclosure Certificates"), and (iii) to deliver a preliminary official statement and a final official statement with respect to both the Housing Bonds and the Non-Housing Bonds (the "Preliminary Official Statement");

WHEREAS, the Agency seeks to sell and the Richmond Joint Powers Financing Authority (the "Authority") seeks to purchase the Bonds at a negotiated sale pursuant to the Bond Purchase Agreements, by and among the Agency, the Authority and RBC Dain Rauscher, Inc., doing business under the name RBC Capital Markets, Inc. (the "Underwriter");

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

1. Master Non-Housing Indenture;
2. First Supplemental Non-Housing Indenture;
3. Master Housing Indenture;
4. First Supplemental Housing Indenture;
5. Auction Agent Agreement;
6. Broker-Dealer Agreement;
7. Swap Documents;
8. Bond Purchase Agreements, as described above;
9. Preliminary Official Statement, as described above;
10. Continuing Disclosure Certificates, as described above; and

WHEREAS, in accordance with Section 6586 of the California Government Code, the Agency hereby finds and determines that the proposed financing and refinancing of the capital improvements within the Project Area will have one or more of the following public benefits to the residents of the Project Area of the Agency and to the citizens of the City, and that such public benefits will be significant:

- (a) demonstrable savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs;
- (b) employment benefits from undertaking the proposed public capital improvements in a timely fashion; and
- (c) more efficient delivery of local agency services to residential and commercial development.

WHEREAS, a portion of the proceeds of the bonds authorized and issued hereunder are intended to be used to install and renovate publicly owned facilities and improvements within the Civic Center complex in the City of Richmond, to plan and design a proposed new police station, and to install tenant improvements for a temporary police facility (the "Improvements").

WHEREAS, the Agency Board and the City Council have conducted a duly noticed public hearing pursuant to Health and Safety Code Section 33679, and the Agency has prepared and made available for public inspection the summary report required by Health and Safety Code Section 33679 (the "Section 33679 Report"), a copy of which is on file with the Agency Clerk and incorporated into this Resolution by this reference in connection with the Improvements.

WHEREAS, following the above-described public hearing, the City Council made the findings and granted the consent required by Health and Safety Code Section 33445 in connection with the proposed Agency funding of the Improvements.

WHEREAS, the following documents (collectively, the “Supporting Documents”) have been presented to and considered by the Agency Board in support of the findings and approvals set forth in this resolution: (1) the Staff Report that accompanies this Resolution; (2) the Section 33679 Report, and (3) the Redevelopment Plan. The Supporting Documents are hereby incorporated by reference into this Resolution and, together with the above recitals (the “Recitals”), form the evidentiary basis and establish the analytical route for reaching the ultimate findings and conclusions contained in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Agency Board of the Richmond Community Redevelopment Agency as follows:

Section 1. The foregoing recitals are true and correct, and this Agency so finds and determines.

Section 2. The issuance of the Non-Housing Bonds, on the terms and conditions set forth in, and subject to the limitations specified in, the Non-Housing Indenture as finally executed, is hereby authorized and approved. The Non-Housing Bonds, in substantially the form set forth in the First Supplemental Non-Housing Indenture submitted to this meeting and made a part hereof as though set forth herein, are hereby approved. The Non-Housing Bonds may be issued with any Interest Rate Period (as defined in the Non-Housing Indenture) permitted under the Non-Housing Indenture; provided, however, that (a) the aggregate initial principal amount of Non-Housing Bonds shall not exceed \$70,000,000, (b) the interest rate on the Non-Housing Bonds which are fixed rate bonds shall not exceed 7% per annum, and (c) the interest rates on the Non-Housing 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 Executive Director, or designee, is hereby authorized and directed, for and in the name of the Agency, to determine the Interest Rate Period with which the Non-Housing Bonds will be issued. Each such determination shall be conclusively evidenced by the issuance of such series of Non-Housing Bonds.

Section 3. The issuance of the Housing Bonds, in one or more series, on the terms and conditions set forth in, and subject to the limitations specified in, the Housing Indenture as finally executed, is hereby authorized and approved. The Housing Bonds, in substantially the form set forth in the First Supplemental Housing Indenture, submitted to this meeting and made a part hereof as though set forth herein are hereby approved. The Housing Bonds may be issued in one or more series as taxable or tax-exempt bonds, as provided under the Housing Indenture; provided, however, that (a) the aggregate initial principal amount of the Housing Bonds shall not exceed \$11,000,000, (b) the interest rate on the Housing Bonds shall not exceed 7% per annum, and (c) the interest rates on the Housing 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 Executive Director, or designee, is hereby authorized and directed, for and in the name of the Agency, to determine the series designations and tax-exempt status of the Housing Bonds to be issued. Each such determination shall be conclusively evidenced by the issuance of such series of Housing Bonds.

Section 4. The form of the Master Non-Housing Indenture on file with the Agency Clerk and incorporated into this Resolution by reference is hereby approved. The Executive Director of the Agency, or designee, is hereby authorized and directed to execute and deliver and the Agency Clerk is hereby authorized and directed to attest the Master Non-Housing Indenture in substantially the form on file with the Agency Clerk and presented to this meeting, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the Agency and which are approved by the Executive Director, in consultation with the Agency’s bond counsel, such approval to be conclusively evidenced by such execution and delivery.

Section 5. The form of the Master Housing Indenture on file with the Agency Clerk and incorporated into this Resolution by reference is hereby approved. The Executive Director of the Agency, or designee, is hereby authorized and directed to execute and deliver and the Agency Clerk is hereby authorized and directed to attest the Master Housing Indenture in substantially the form on file with the Agency Clerk and presented to this meeting, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the Agency and which are approved by the Executive Director, in consultation with the Agency’s bond counsel, such approval to be conclusively evidenced by such execution and delivery.

Section 6. The form of the First Supplemental Non-Housing Indenture on file with the Agency Clerk and incorporated into this Resolution by reference is hereby approved. The Executive Director of the Agency, or designee, is hereby authorized and directed to execute and deliver and the Agency Clerk is hereby authorized and directed to attest the First Supplemental Non-Housing Indenture in

substantially the form on file with the Agency Clerk and presented to this meeting, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the Agency and which are approved by the Executive Director, in consultation with the Agency's bond counsel, such approval to be conclusively evidenced by such execution and delivery.

Section 7. The form of the First Supplemental Housing Indenture on file with the Agency Clerk and incorporated into this Resolution by reference is hereby approved. The Executive Director of the Agency, or designee, is hereby authorized and directed to execute and deliver and the Agency Clerk is hereby authorized and directed to attest the First Supplemental Housing Indenture in substantially the form on file with the Agency Clerk and presented to this meeting, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the Agency and which are approved by the Executive Director, in consultation with the Agency's bond counsel, such approval to be conclusively evidenced by such execution and delivery.

Section 8. In the event any Bonds are issued as ARS, the Broker-Dealer Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved with such changes, insertions and omissions, and in such number, as the Executive Director may, upon consultation with Agency Counsel, require or approve, such requirement or approval to be conclusively evidenced by the execution of one or more Broker-Dealer Agreements by the Auction Agent. Further, in the event any Bonds are issued as ARS, the Auction Agent Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved with such changes, insertions and omissions as the Executive Director may, upon consultation with Agency Counsel, require or approve, such requirement or approval to be conclusively evidenced by the execution of the Auction Agent Agreement by the Trustee.

Section 9. The forms of the Swap Documents on file with the Agency Clerk and incorporated into this Resolution by reference are hereby approved. The Executive Director of the Agency, or designee, is hereby authorized and directed to execute and deliver the Swap Documents in substantially the forms on file with the Agency Clerk and presented to this meeting, with such additions thereto or changes or insertions that hereafter become necessary or desirable in the interest of the Agency and which are approved by the Executive Director, in consultation with the Agency's swap advisor and bond counsel, such approval to be conclusively evidenced by such execution and delivery; provided, however, that the Executive Director shall not execute and deliver the Swap Documents unless: (a) such agreements are designed (i) to reduce or hedge the amount or duration of any payment, interest rate, spread or similar risk, or (ii) to result in a lower cost of borrowing when used in combination with the issuance of the Bonds; (b) the term of such Swap Documents does not exceed the final maturity of the Bonds; (c) the initial aggregate notional amount of such Swap Agreement does not exceed the initial aggregate amount of the Bonds; and (d) the amounts payable by the Agency with respect to such Swap Documents shall be payable solely and exclusively from Subordinate Pledged Tax Revenues (as defined in the Non-Housing Indenture and the Housing Indenture, as applicable). In accordance with Section 5922 of the California Government Code, the Agency hereby finds and determines that the Swap Agreement entered into in accordance with this Resolution and consistent with the requirements set forth herein is designed to reduce the amount or duration of payment, interest rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the issuance of the Bonds.

Section 10. The form of Non-Housing Bond Purchase Agreement among the Authority, the Agency and the Underwriter on file with the Agency Clerk and incorporated into this Resolution by reference is hereby approved. The Executive Director of the Agency, or designee, is hereby authorized and directed, for and in the name and on behalf of the Agency, to accept the offer of the Authority and the Underwriter to purchase the Non-Housing Bonds as reflected in the Non-Housing Bond Purchase Agreement and to execute and deliver the Non-Housing Bond Purchase Agreement in substantially the form on file with the Agency Clerk and presented to this meeting, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the Agency and which are approved by the Executive Director, in consultation with the Agency's bond counsel, such approval to be conclusively evidenced by the execution and delivery of the Non-Housing Bond Purchase Agreement; provided, however, that such additions, changes or insertions in the Non-Housing Bond Purchase Agreement shall not specify a true interest cost (taking into account, as necessary, the synthetic fixed rate and associated costs of the bonds) of the Non-Housing Bonds in excess of 7% or an underwriter's discount in excess of 1% of the aggregate principal amount of the Non-Housing Bonds.

Section 11. The form of Housing Bond Purchase Agreement among the Authority, the Agency and the Underwriter on file with the Agency Clerk and incorporated into this Resolution by reference is hereby approved. The Executive Director of the Agency, or designee, is hereby authorized and directed, for and in the name and on behalf of the Agency, to accept the offer of the Authority and the Underwriter to purchase the Housing Bonds as reflected in the Housing Bond Purchase Agreement and to execute and deliver the Housing Bond Purchase Agreement in substantially the form on file with the Agency Clerk and presented to this meeting, with such additions thereto or changes or insertions that

hereafter become necessary in the interest of the Agency and which are approved by the Executive Director, in consultation with the Agency's bond counsel, such approval to be conclusively evidenced by the execution and delivery of the Housing Bond Purchase Agreement; provided, however, that such additions, changes or insertions in the Housing Bond Purchase Agreement shall not specify a true interest cost (taking into account, as necessary, the synthetic fixed rate and associated costs of the bonds) of the Housing Bonds in excess of 7% or an underwriter's discount in excess of 1% of the aggregate principal amount of the Housing Bonds.

Section 12. The form of Non-Housing Bonds Continuing Disclosure Certificate on file with the Agency Clerk and incorporated into this Resolution by reference is hereby approved. The Executive Director of the Agency, or designee, is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the Non-Housing Bonds Continuing Disclosure Certificate in substantially the form on file with the Agency Clerk, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the Agency and which are approved by the Executive Director, in consultation with the Agency's disclosure counsel, such approval to be conclusively evidenced by the execution and delivery of the Non-Housing Bonds Continuing Disclosure Certificate.

Section 13. The form of Housing Bonds Continuing Disclosure Certificate on file with the Agency Clerk and incorporated into this Resolution by reference is hereby approved. The Executive Director of the Agency, or designee, is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the Housing Bonds Continuing Disclosure Certificate in substantially the form on file with the Agency Clerk, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the Agency and which are approved by the Executive Director, in consultation with the Agency's disclosure counsel, such approval to be conclusively evidenced by the execution and delivery of the Housing Bonds Continuing Disclosure Certificate.

Section 14. The form of preliminary official statement relating to the Bonds on file with the Agency Clerk and incorporated into this Resolution by reference, is hereby approved. The Executive Director of the Agency, or designee, is hereby authorized and directed to execute a certificate deeming said preliminary official statement final as of its date, except for certain final pricing and related information, pursuant to Securities Exchange Commission Rule 15c2-12. The Underwriter is hereby authorized to distribute said preliminary official statement as so deemed final to prospective purchasers of the Bonds. The Executive Director, or designee, is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute a final official statement relating to the Bonds in substantially the form of such deemed final preliminary official statement, including such final pricing and related information and with such additions thereto or changes therein as hereafter become necessary in the interest of the Agency and which are approved by the Executive Director, 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 Bonds.

Section 15. In connection with the partial funding of Improvements with a portion of the proceeds of the bonds authorized and issued hereunder, and in accordance with Section 33445 of the California Health and Safety Code, the Agency Board hereby finds and determines that:

(a) the Improvements will benefit the Redevelopment Project Area No. 10-B (Nevin) and the immediate neighborhood in which the Improvements are located;

(b) no other reasonable means of financing the Improvements are available to the community that are not being utilized for the Improvements; and

(c) the payment of funds for the Improvements will assist in the elimination of one or more blighting conditions within Redevelopment Project Area No. 10-B (Nevin) and is consistent with the Agency's current implementation plan adopted pursuant to Section 33490 of the California Health and Safety Code.

Section 16. The Executive Director, the Agency Clerk, the Treasurer, members of the Agency Board and other appropriate officers and agents are hereby authorized and directed, jointly and severally, for and in the name of and on behalf of the Agency, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the sale of the Bonds and the execution of the Swap Documents (including any documents necessary in connection with bond insurance or other credit enhancement for the bonds or investment of the proceeds of the bonds), 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 Agency has approved in this Resolution. All actions heretofore taken by the officers and agents of the Agency with respect to the sale, execution and delivery of the Bonds, and the other transactions authorized and contemplated herein are hereby approved, confirmed and ratified. Notwithstanding any provision of this Resolution authorizing the

Executive Director to take any action or execute any document to the contrary, in the absence of the Executive Director or in lieu of the Executive Director, the Chief Executive Officer or the Agency Director may take such action or execute such document with like effect as fully as though named in this Resolution instead of the Executive Director.

Section 17. This Resolution shall take effect from and after its adoption.

I certify that the foregoing resolution was passed and adopted by the Agency Board of the Richmond Community Redevelopment Agency at a regular meeting thereof, held on June 5, 2007, by the following vote:

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

NOES: None

ABSTENTIONS: None

ABSENT: Member Thurmond

DIANE HOLMES
Clerk of the Redevelopment Agency

(SEAL)

Approved:

GAYLE McLAUGHLIN
Agency Chair

Approved as to form:

LOUISE RENNE, Interim
Agency Attorney

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

I certify that the foregoing is a true copy of Resolution No. 07-09, finally passed and adopted at a Joint Meeting of the Joint Powers Financing Authority, Richmond Community Redevelopment Agency, and City Council at a meeting held on June 5, 2007.

CERTIFICATE OF THE AGENCY CLERK

I, Diane Homes, Clerk of the Richmond Community Redevelopment Agency, hereby certify that the foregoing Resolution No. _____ is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Agency Board of the Agency duly held in Richmond, California on June 5, 2007, of which meeting all of the members of said Agency Board had due notice.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

An agenda of said meeting was posted at least 72 hours before the meeting at 1401 Marina Way South, Richmond, CA 94804, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

Dated: _____, 2007

Agency Clerk