

RESOLUTION NO. 10-01

A RESOLUTION OF THE BOARD OF THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTION AND DELIVERY OF A FIXED RECEIVER SWAP AGREEMENT IN CONNECTION WITH ITS RICHMOND COMMUNITY REDEVELOPMENT AGENCY SUBORDINATE TAX ALLOCATION BONDS (MERGED PROJECT AREAS) SERIES 2007 A, AND AUTHORIZING THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THEREWITH.

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; and

WHEREAS, the Agency has heretofore issued its Richmond Community Redevelopment Agency Subordinate Tax Allocation Bonds (Merged Project Areas) Series 2007 A (the "Prior Bonds"); and

WHEREAS, the Agency issued the Prior Bonds pursuant to an Indenture of Trust, dated as of June 1, 2007 (the "Master Indenture"), between the Agency and Union Bank of California, N.A., as trustee (the "Trustee"), as supplemented by a First Supplemental Indenture of Trust, dated June 1, 2007 (the "First Supplemental Indenture"), between the Agency and the Trustee, (together with the Master Indenture, as subsequently supplemented and amended, the "Indenture"); and

WHEREAS, in order to reduce the amount of interest rate risk and lower the cost of borrowing in combination with the issuance of the Prior Bonds, the Agency entered into an interest rate swap pursuant to an ISDA Master Agreement (the "Master Swap Agreement"), together with the Schedule (the "Schedule") and Confirmation (the "Confirmation") thereto (collectively, the "Original Swap Agreement"), dated June 26, 2007, each between the Agency and Royal Bank of Canada, as counterparty (the "Counterparty"), and in compliance with the Richmond Community Redevelopment Agency Interest Rate Swap Policy, adopted in May 2006 (the "Swap Policy"); and

WHEREAS, the Agency has determined that it is necessary and desirable to refund the Bonds through the issuance of the Richmond Community Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (Merged Project Area), Series 2010 A (the "Refunding Bonds"); and

WHEREAS, in connection with the issuance of the Refunding Bonds, the Agency deems it necessary and desirable to maintain the Original Swap Agreement in full force and effect by entering into an offsetting fixed receiver swap agreement with the Counterparty (the "Fixed Receiver Swap Agreement") on or before the date of issuance of the Refunding Bonds, and in compliance with the Swap Policy; and

WHEREAS, the Agency recognizes that maintaining the Original Swap Agreement may not always be in the financial interest of the Agency, and under certain market conditions the Agency's financial interest would be best served by terminating or amending the Original Swap Agreement; and

WHEREAS, Section 5922 of the California Government Code provides that in connection with, or incidental to, the issuance or carrying of bonds any public entity may enter into any contracts which the public entity determines to be appropriate to place the obligations represented by the bonds, in whole or in part, on the interest rate, cash flow or other basis desired by the public entity, including without limitation contracts commonly known as swap agreements, forward payment conversion agreements or contract providing for payments based on levels of, or changes in, interest rates or stock or other indices, or contracts to exchange cash flows or a series of payments, in each case to hedge payment, rate, spread or similar exposure; and

WHEREAS, pursuant to Section 5922 of the Government Code of the State of California, the Authority hereby finds and determines that the Fixed Receiver Swap Agreement is entered into in connection with, or incidental to, the issuance or carrying of the Refunding Bonds, will reduce the amount and duration of interest rate risk with respect to the Refunding Bonds and is 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 Refunding Bonds or enhance the relationship between risk and return with respect to investments; and

WHEREAS the Agency has full legal right, power and authority under the Law to enter into the transactions hereinafter authorized.

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 Board so finds and determines.

Section 2. The Agency hereby determines that on or before the date of issuance of the Refunding Bonds as fixed rate bonds, the entering into of the Fixed Receiver Swap Agreement with the Counterparty pursuant to Section 5922 of the California Government Code in a notional amount not exceeding the notional amount of the Original Swap Agreement would be designed to reduce the Agency's cost of borrowing for the Refunding Bonds.

Section 3. In accordance with the Agency's Bylaws, the Executive Director, or designee, is hereby authorized and directed, acting in the name of the Agency, to negotiate the Fixed Receiver Swap Agreement with the Counterparty in a notional amount not exceeding the notional amount of the Original Swap Agreement, with a view to reducing the Agency's cost of borrowing evidenced and represented by such Refunding Bonds, and the Executive Director, or designee, is hereby authorized to execute and deliver a new confirmation to the Master Swap Agreement and a Schedule (as the same may be amended pursuant to this resolution) evidencing the Fixed Receiver Swap Agreement, in such form as may be approved by the Executive Director or designee 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 or designee shall not execute and deliver the Fixed Receiver Swap Agreement unless (a) such agreement is 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 Refunding Bonds; (b) the term of the Fixed Receiver Swap Agreement does not exceed the term of the Original Swap Agreement; (c) the amounts payable by the Agency with respect to the Fixed Receiver Swap Agreement shall be payable solely and exclusively from Subordinate Pledged Tax Revenues (as defined in the Indenture); and (d) such Fixed Receiver Swap Agreement conforms with the Swap Policy of the City.

Section 4. Should it become the case that maintaining the Original Swap Agreement is no longer in the Agency's financial interest, the Executive Director, or designee, is hereby authorized and directed to amend the Original Swap Agreement, with a view to reducing the Agency's cost of borrowing, and the Executive Director, or designee, is hereby authorized to execute and deliver such documents as are necessary, in such form as may be approved by the Executive Director or designee 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 or designee shall not execute and deliver such documents unless (a) such documents 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; (b) the amounts payable by the Agency with respect to the termination or amendment of the Original Swap Agreement shall be payable solely and exclusively from Subordinate Pledged Tax Revenues (as defined in the Indenture); and (c) except as expressly provided in this Section 4, such documents conform with the Swap Policy of the City. The Original Swap Agreement currently has a

notional amount equal to the existing amount of the Prior Bonds outstanding. In connection with the potential refinancing of the Prior Bonds the Agency may determine to use excess proceeds to reduce the remaining outstanding amount of Prior Bonds. Depending on market conditions, it may be more efficient for the agency to leave the Original Swap Agreement in place at its original notional amount and enter into the Fixed Receiver Swap Agreement in a like amount in order to offset the Agency's exposure. Notwithstanding any provision of the City's Swap Policy as applicable to the Agency, if the Executive Director or designee in consultation with the Agency's swap advisor and bond counsel determine that leaving the Original Swap Agreement outstanding in its full amount and offsetting it with the Fixed Receiver Swap is more cost effective for the Agency, such action is authorized even if the notional amount of the Original Swap Agreement and Fixed Receiver Swap Agreement exceed the outstanding principal amount of the refunding bonds to which they relate.

Section 5. In accordance with the Agency's Bylaws, the Executive Director, or designees, are hereby authorized and directed 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 execution of the Fixed Receiver Swap Agreement (including any amendments to the Original Swap Agreement necessary in connection with the Fixed Receiver Swap 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 Agency has approved in this Resolution.

Section 6. Should it become the case that maintaining the Original Swap Agreement is no longer in the Agency's financial interest, the Executive Director, or designees, 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 termination of the Original Swap 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 Agency has approved in this Resolution; provided that any termination payment payable by the Agency with respect to such full or partial termination shall be funded from the proceeds of the Prior Bonds or the Refunding Bonds.

Section 7. All actions heretofore taken by the Executive Director and designated 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 of the Agency 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 8. 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 February 16, 2010, by the following vote:

AYES: Boardmembers Bates, Butt, Lopez, Rogers, Viramontes, Vice Chairperson Ritterman, and Chairperson McLaughlin.

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

DIANE HOLMES
Clerk of the Redevelopment Agency

[SEAL]

Approved:

GAYLE McLAUGHLIN
Agency Chairperson

Approved as to form:

RANDY RIDDLE
Agency Attorney

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