

RESOLUTION NO. 108 -10

A RESOLUTION OF THE CITY COUNCIL PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF THE CITY'S WASTEWATER REVENUE BONDS, SERIES 2010; AUTHORIZING THE EXECUTION AND DELIVERY OF A FOURTH SUPPLEMENTAL INDENTURE, A BOND PURCHASE AGREEMENT, CREDIT SUPPORT DOCUMENTS, AND AN OFFICIAL STATEMENT; APPROVING A FORM OF PRELIMINARY OFFICIAL STATEMENT AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION THEREWITH, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

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

WHEREAS, the City has entered into a Wastewater Revenue Bond Indenture, dated as of October 1, 2006 (the "Master Indenture"), as supplemented by a First Supplemental Indenture, dated as of October 1, 2006 (the "First Supplemental Indenture"), a Second Supplemental Indenture, dated as of October 1, 2006 (the "Second Supplemental Indenture"), and a Third Supplemental Indenture, dated as of October 1, 2008 (the "Third Supplemental Indenture," and, together with the Master Indenture, the First Supplemental Indenture, and the Second Supplemental Indenture, the "Indenture"), each by and between the City and the Bank of New York Mellon Trust Company, N.A. as successor trustee (the "Trustee"); and

WHEREAS, the City desires to issue its City of Richmond, California Wastewater Revenue Bonds, Series 2010 (the "Bonds") in one or more series, on a taxable and/or tax exempt basis, to finance improvements to the Enterprise, fund a deposit to the reserve fund, pay a portion of the interest on the Bonds, and pay costs of issuance; and

WHEREAS, the City desires (i) to enter into the Fourth Supplemental Indenture and a Bond Purchase Agreement (the "Bond Purchase Agreement"), and (ii) to deliver a Preliminary Official Statement (the "Preliminary Official Statement") and a final Official Statement (the "Official Statement") with respect to the Bonds; and

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

1. A Fourth Supplemental Indenture; and
2. A Bond Purchase Agreement; and
3. A Preliminary Official Statement (form); and
4. Continuing Disclosure Agreement; and

WHEREAS, the City may seek commitments from financial institutions or municipal bond insurance companies to provide credit support for the Series 2010 Bonds; 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. The foregoing recitals are true and correct and this City Council hereby so finds and determines.

Section 2. The issuance of the Bonds, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture as finally executed, is hereby authorized and approved. If the City Manager or the Finance Director, (each an "Authorized Representative") determines that it will be advantageous to the City to issue all or a portion of the Bonds as "Build America Bonds" under the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"), the City Manager or the Finance Manager is hereby authorized to approve such changes to the proposed form of the Indenture, the Bond Purchase Agreement and the Preliminary Official Statement as may be necessary or appropriate to provide for the issuance of all or a portion of the Bonds as "Build America Bonds" under the Recovery Act, in each case after consultation with City's financial advisor and bond counsel, such approval to be conclusively evidenced by the execution and delivery of such documents. The aggregate principal amount of the Bonds shall not exceed \$45 million and the overall true interest cost of the Bonds (net of any Build America Bonds subsidy payments to be received by the City) shall not exceed 5.75%.

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

Section 4. The form of Bond Purchase Agreement by and between RBC Capital Markets Corporation, as representative of itself and Southwest Securities, (collectively, the "Underwriters") and the City, on file with the City Clerk and incorporated into this Resolution by reference is hereby approved. The Authorized Representatives are each hereby authorized and directed, severally, or any such officer's designee, for and on behalf of the City to accept the offer of the Underwriters to purchase the Bonds as reflected in the Bond Purchase Agreement and to execute and deliver the Bond Purchase Agreement in substantially the form on file with the City Clerk and presented to this meeting, with such additions thereto or changes or insertions that hereafter become necessary in the interest of the City and which are approved by such Authorized Representative, in consultation with the City's financial advisor and bond counsel, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement; provided, however, that such additions, changes or insertions in the Bond Purchase Agreement shall not specify an underwriter's discount in excess of 1% of the aggregate principal amount of the Bonds.

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

Section 6. The form of Preliminary Official Statement relating to the Bonds on file with the City Clerk and incorporated into this resolution by reference, is hereby approved. The Authorized Representatives are each hereby authorized and directed, severally, or any such officer's designee, for and on behalf of the City, to execute a certificate deeming the Preliminary Official Statement in said form final as of its date, except for certain final pricing and related information, pursuant to Securities Exchange Commission Rule 15c2-12. The Underwriters are hereby authorized to distribute the Preliminary Official Statement in said form as so deemed final to prospective purchasers of the Bonds. The Authorized Representatives are each hereby authorized and directed, severally, or any such officer's designee, for and on behalf of the City, to execute the 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 City and which are approved by such Authorized Representative, in consultation with

disclosure counsel, such approval to be conclusively evidenced by the execution and delivery of such Official Statement. The Underwriters are hereby authorized to distribute copies of said final Official Statement to all actual purchasers of the Bonds.

Section 7. The Authorized Representatives are hereby authorized to solicit or to cause to be solicited proposals from financial institutions or municipal bond insurance companies, and, if the Authorized Representatives determine that it is in the best interest of the City to arrange for an irrevocable letter of credit, a municipal bond insurance policy, and/or a surety bond for one or more maturities or series of the Bonds, the Authorized Representatives are hereby authorized to execute and deliver all documents necessary in connection therewith.

Section 8. The officers and agents of the City are, and each of them hereby is, authorized and directed to do any and all things and to execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the sale of the Bonds, including, but not limited to, the execution and delivery of a tax certificate, 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 Bonds. All actions heretofore taken by the officers and agents of the City 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 an Authorized Representative to take any action or execute any document to the contrary, in the absence of such Authorized Representative or in lieu of such Authorized Representative, the person designated in writing by such Authorized Representative, may take such action or execute such document with like effect as fully as though named in this resolution instead of such Authorized Representative.

Section 9. This resolution shall take effect immediately upon its passage.

I hereby certify that the foregoing resolution was duly passed, approved and adopted by the City Council of the City of Richmond, California, at a regular meeting of said City Council held on September 21, 2010, by the following vote:

AYES: Councilmembers Bates, Butt, Lopez, Rogers, Viramontes, Vice Mayor Ritterman, and Mayor McLaughlin

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

DIANE HOLMES
Clerk of the City of Richmond

(SEAL)

Approved:

GAYLE MCLAUGHLIN
Mayor

Approved as to form:

RANDY RIDDLE
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. 108-10, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on September 21, 2010.