

**RESOLUTION NO. 95-12**

**A RESOLUTION OF THE CITY COUNCIL AUTHORIZING THE EXECUTION AND DELIVERY OF AN INTEREST RATE SWAP CONFIRMATION IN CONNECTION WITH THE RICHMOND JOINT POWERS FINANCING AUTHORITY POINT POTRERO LEASE REVENUE BONDS SERIES 2009A AND SERIES 2009B; AND AUTHORIZING THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THEREWITH**

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WHEREAS, the Richmond Joint Powers Financing Authority (the "Authority") is empowered to assist the City of Richmond (the "City") in financing and refinancing certain public capital improvements pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (commencing with Section 6584 et. seq.) (the "JPA Law") and pursuant to that certain Joint Exercise of Powers Agreement (the "Joint Exercise of Powers Agreement") by and between the City and the Richmond Redevelopment Agency, dated as of December 1, 1989; and

WHEREAS, the City has heretofore requested and the Authority has heretofore issued its \$26,830,000 Richmond Joint Powers Financing Authority Point Potrero Lease Revenue Bonds, Series 2009A and its \$2,280,000 Richmond Joint Powers Financing Authority Point Potrero Lease Revenue Bonds, Series 2009B (collectively, the "Bonds") for the purpose of financing and refinancing certain public capital improvements within the City's Port; and

WHEREAS, the Bonds were issued as fixed rate bonds; and

WHEREAS, the City has previously adopted a set of standard policies governing certain financial transactions designed to change the interest rate basis of its obligations with respect to bonds, reduce interest rate risk or lower overall borrowing costs, all as set forth in the City of Richmond Swap Policy (the "Swap Policy"); and

WHEREAS, the City has heretofore executed an ISDA Master Agreement and related Schedule, each dated as of May 22, 2008 (collectively, the "2008 Swap Agreement"), between the City and the Royal Bank of Canada (the "Counterparty"); and

WHEREAS, the City has determined that it is desirable to enter into a confirmation (the "Confirmation") pursuant to the 2008 Swap Agreement in substantially the form on file with the City Clerk and presented to this meeting in order to change the interest rate basis with respect to the Bonds from fixed interest rates to a form of variable interest rates; 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 interest rate swap agreements, forward payment conversion agreements or contracts 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 City hereby finds and determines that the Confirmation is entered into in connection with, or incidental to, the issuance or carrying of the Bonds, will place the obligations of the City with respect to the Bonds on the interest rate basis desired by the City; and

WHEREAS, the City has full legal right, power and authority under 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 Council so finds and determines.

Section 2. The proposed form of the Confirmation on file with the City Clerk is hereby approved. The Council hereby determines that the entering into of the Confirmation with the Counterparty pursuant to Section 5922 of the California Government Code in a notional amount not exceeding the outstanding principal amount of the Bonds would be designed to place the obligations of the City with respect to the Bonds on the interest rate basis desired by the City and the City Manager and the Director of Finance of the City are each hereby authorized and directed, acting singly, for and in the name and on behalf of the City, to negotiate the Confirmation with the Counterparty in a notional amount not exceeding the principal amount of the Bonds, in consultation with the City's special counsel and swap advisor, and such officer is hereby authorized to execute and deliver the Confirmation in substantially the form presented to this meeting with such changes therein, deletions therefrom and additions thereto, as may be approved by such officer in consultation with the City's swap advisor and bond counsel, with such execution to be conclusive evidence of such approval; provided, however, that such officer shall not execute and deliver the Confirmation unless: (a) the initial notional amount of such Confirmation does not exceed the outstanding principal amount of the Bonds; and (b) such Confirmation conforms with the Swap Policy of the City. In accordance with Section 5922 of the California Government Code, the City hereby finds and determines that the 2009 Swap Agreement entered into in accordance with this Resolution and consistent with the requirements set forth herein is designed to place the city's obligation with respect to the Bonds on the interest rate basis desired by the City.

Section 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver, on behalf of the City, any certificate, consent, request, approval, notice, amendment, confirmation, supplement or revision permitted or required to be delivered pursuant to the documents authorized hereby or otherwise as may be necessary or desirable in connection with the Confirmation without further authorization by this Council, and any and all documents which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution including, but not limited to, the execution and delivery of a tax certificate and any amendments to the 2008 Swap Agreement or other documents related to the Bonds. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 4. This resolution shall take effect immediately upon its passage.

I certify that the foregoing Resolution was passed and adopted by the Members of the City Council of the City of Richmond at a regular meeting held on July 17, 2012, by the following vote:

AYES: Councilmembers Bates, Boozé, Butt, Ritterman, Vice Mayor Rogers, and Mayor McLaughlin.

NOES: None.

ABSTENTIONS: None.

ABSENT: Councilmember Beckles.

DIANE HOLMES  
CLERK OF THE CITY OF RICHMOND

(SEAL)

Approved:

GAYLE MCLAUGHLIN  
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. 95-12, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on July 17, 2012.

CERTIFICATE

I, Diane Holmes, 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 meeting of the City Council of said City duly and regularly held at the special meeting place thereof on the \_\_\_ day of February, 2012, of which meeting all of the members of said Governing Board 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:

NOES:

ABSENT:

ABSTAINED:

An agenda of said meeting was posted before said meeting at City Hall, 450 Civic Center Plaza, 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: \_\_\_\_\_, 2012.

\_\_\_\_\_  
City Clerk