

RESOLUTION NO. 14-7

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY APPROVING AN AMENDMENT OF A SWAP AGREEMENT FOR THE PURPOSE OF SUBORDINATING THE TERMINATION PAYMENT DUE THEREUNDER TO THE PAYMENT OF DEBT SERVICE ON THE SUCCESSOR AGENCY TO THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY REFUNDING BONDS SERIES 2014A (TAX-EXEMPT) AND SERIES 2014B (TAXABLE) AND AUTHORIZING AND APPROVING CERTAIN ACTIONS TAKEN IN CONNECTION THEREWITH

WHEREAS, pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code and referred to herein as the “Law”), the City Council of the City of Richmond, California (the “City”) created the former Richmond Community Redevelopment Agency (the “Prior Agency”); and

WHEREAS, the Prior Agency was a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Law, and the powers of such agency included the power to issue bonds and to enter into interest rate swap agreements in connection therewith for any of its corporate purposes; and

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) (“AB X1 26”) enacted on June 29, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies; and

WHEREAS, Assembly Bill No. 1484, a follow on bill to AB X1 26, was enacted on June 27, 2012 and provides certain procedures for taking action in connection with bonds issued by a dissolved redevelopment agency; and

WHEREAS, pursuant to California Health and Safety Code Section 34173(d), the City is the successor agency (as successor agency to the Prior Agency, the “Successor Agency”), confirmed by resolution of the City; and

WHEREAS, the Prior Agency issued its Subordinate Tax Allocation Bonds (Merged Project Areas) 2007 Series A (the “2007A Bonds”), pursuant to that certain Indenture (the “Master Indenture”), as supplemented by the First Supplemental Indenture (the “First Supplemental Indenture”) each dated July 1, 2007 and each by and between the Prior Agency and Union Bank, N.A., formerly known as Union Bank of California, N.A., as trustee (the “Trustee”); and

WHEREAS, in connection with the issuance and sale of the 2007A Bonds, and in order to reduce the amount of interest rate risk and lower the cost of borrowing, the Prior Agency

entered into an Interest Rate Swap Agreement, dated June 26, 2007 (the “2007 Swap Agreement”), with Royal Bank of Canada (“RBC”); and

WHEREAS, the Prior Agency subsequently issued its Richmond Community Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (Merged Project Areas) 2010 Series A (the “2010A Bonds”) to refund the 2007A Bonds pursuant to a Third Supplemental Indenture (the “Third Supplemental Indenture”), dated as of April 1, 2010, by and between the Prior Agency and the Trustee, supplementing the Master Indenture (the Master Indenture, as supplemented and amended, herein referred to as the “Indenture”); and

WHEREAS, in connection with the refunding of the Series 2007A Bonds and the issuance of the 2010A Bonds, the Prior Agency left the 2007 Swap Agreement in full force and effect, and entered into an offsetting interest rate swap agreement with RBC pursuant to an Amended and Restated Schedule and an Amended Confirmation, dated March 31, 2010 (together with the 2007 Swap Agreement, the “Swap Agreement”);

WHEREAS, pursuant to the terms of the Indenture, regularly scheduled payments under the Swap Agreement have a parity lien on certain Subordinate Pledged Tax Revenues (as defined in the Indenture) with the Parity Obligations (as defined in the Indenture); and

WHEREAS, the Successor Agency issued its Refunding Bonds Series 2014A (Tax-Exempt) and Series 2014B (Taxable) (together, the “2014 Refunding Bonds”) to prepay certain Senior Obligations and refund certain Senior Bonds (each, as defined in the Indenture) pursuant to a Trust Agreement, dated as of April 1, 2014, by and between the Successor Agency and the Trustee; and

WHEREAS, in consideration for decreasing the amount of debt senior to the regularly scheduled payments under the Swap Agreement that the issuance of the 2014 Refunding Bonds created, RBC subordinated the lien of any Termination Payment (as defined in the Indenture) on Subordinate Pledged Tax Revenues to the lien of the 2014 Refunding Bonds pursuant to that certain Revised Estoppel Certificate (the “Estoppel Certificate”) dated as of March 12, 2014; and

WHEREAS, the Successor Agency and RBC now wish to make certain conforming amendments to the Swap Agreement reflecting the terms of the Estoppel Certificate; and

WHEREAS, a form of Swap Agreement Amendment (the “Amendment”) between RBC and the Successor Agency making such conforming amendments to the Swap Agreement reflecting the terms of the Estoppel Certificate has been presented to the Board of the Successor Agency (the “Board”); and

WHEREAS, pursuant to Section 34173 of the California Health and Safety Code, except for those provisions of the Redevelopment Law that were repealed, restricted, or revised pursuant to AB X1 26, all authority, rights, powers, duties, and obligations previously vested with the Prior Agency under the Redevelopment Law are vested in the Successor Agency; and

WHEREAS, pursuant to Section 34181(e) of the California Health and Safety Code (“Section 34181(e)”), the execution of the Estoppel Certificate and the proposed Amendment in connection with the issuance of the 2014 Refunding Bonds reduces the liabilities of the

Successor Agency and increases net revenues to certain “taxing entities” as defined by Section 34171(k) of the California Health and Safety Code (“Section 34171(k)”); and

WHEREAS, pursuant to Section 5922 of the California Government Code (“Section 5922”), the Amendment entered into in connection with, or incidental to, the issuance or carrying of the 2014 Refunding Bonds, reduces the cost of borrowing with respect to the 2014 Refunding Bonds and is designed to reduce the amount or duration of payment, currency, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the 2014 Refunding Bonds or enhance the relationship between risk and return with respect to investments;

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE RICHMOND COMMUNITY REDEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Recitals. The recitals set forth above are true and correct and are incorporated into this Resolution.

Section 2. Findings. The Successor Agency hereby finds and determines that pursuant to Section 5922, the Amendment entered into in connection with, or incidental to, the issuance and carrying of the 2014 Refunding Bonds is designed to reduce the Successor Agency’s cost of borrowing for the 2014 Refunding Bonds, and that pursuant to Section 34181(e), the execution of the Estoppel Certificate and the proposed Amendment in connection with the issuance of the 2014 Refunding Bonds reduces the liabilities of the Successor Agency and increases net revenues to certain “taxing entities” as defined by Section 34171(k).

Section 3. Approval of Amendment. The proposed form of Amendment in substantially the form presented to this meeting (a copy of which is on file with the Clerk of this Board), is hereby approved. The Chief Executive Officer and the Treasurer of the Successor Agency or any of their designees (each, an “Authorized Officer”), are hereby authorized and directed to execute and deliver the Amendment with such changes and completions as such Authorized Officer executing such document shall approve, which approval shall be conclusively evidenced by the execution and delivery thereof.

Section 4. Other Acts. Each of the Authorized Officers, and the Clerk of the Board, and other appropriate officers of the Successor Agency, each acting alone, are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and contracts which they may deem necessary or advisable in order to consummate the execution and delivery of the Amendment, and any such actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved. All actions heretofore taken by the officers and agents of the Successor Agency with respect to the Amendment are hereby approved, confirmed and ratified.

Section 5. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The

Successor Agency declares that the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

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I certify that the foregoing resolution was passed and adopted by the Successor Agency to the Richmond Community Redevelopment Agency Board at a regular meeting held on June 3, 2014, by the following vote:

- AYES: Councilmembers Bates, Boozé, Butt, Myrick, Rogers, Vice Mayor Beckles, and Mayor McLaughlin.
- NOES: None.
- ABSTENTIONS: None.
- ABSENT: None.

DIANE HOLMES
Clerk of the Successor Agency

(SEAL)

Approved:

GAYLE MCLAUGHLIN
Successor Agency Board Chair

Approved as to form:

BRUCE GOODMILLER
Successor 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. 14-7**, finally passed and adopted by the Successor Agency to the Richmond Community Redevelopment Agency Board at a regular meeting held on June 3, 2014.