

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2005 APR 28 PM 1:10

JOINT POWERS FINANCING AUTHORITY

RESOLUTION No. _____ J.P.F.A.

2005-0002

RESOLUTION OF THE OAKLAND JOINT POWERS
FINANCING AUTHORITY APPROVING THE ISSUANCE
AND SALE OF REFUNDING REVENUE BONDS IN ONE OR
MORE SERIES TO REFUND THE AUTHORITY'S
OUTSTANDING LEASE REVENUE BONDS, 1998 SERIES A;
APPROVING THE FORMS OF AND AUTHORIZING
EXECUTION AND DELIVERY OF AN AMENDED AND
RESTATED LEASE, AN AMENDED AND RESTATED
SUBLEASE, A TRUST AGREEMENT AND A BOND
PURCHASE CONTRACT AND RELATED AGREEMENTS;
AUTHORIZING THE PROCUREMENT OF BOND
INSURANCE; AND AUTHORIZING EXECUTION OF
DOCUMENTS AND THE TAKING OF ALL NECESSARY
ACTIONS RELATING TO THE ISSUANCE OF THE BONDS

WHEREAS, the City of Oakland (the "City") and the Redevelopment Agency of the City of Oakland (the "Agency") have heretofore executed a Joint Exercise of Powers Agreement, dated as of February 1, 1993 (the "Joint Powers Agreement"), by and between the City and the Agency, which Joint Powers Agreement created and established the Oakland Joint Powers Financing Authority (the "Authority"), a joint exercise of powers authority duly organized and operating pursuant to the provisions of Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"); and

WHEREAS, Article 4 of the Act authorizes and empowers the Authority to issue bonds to assist local agencies in financing projects and programs consisting of certain public improvements, working capital or liability or other insurance programs whenever a local agency determines that there are significant public benefits from so doing; and

WHEREAS, the City and the Authority executed and entered into a Lease (as heretofore amended or supplemented, the "Original Lease"), dated as of July 1, 1998, pursuant to the provisions of which the City, as lessor, leased that portion of the City's sewer system described therein (the "Leased Property") to the Authority, as lessee; and

WHEREAS, the Authority, as lessor, and the City, as lessee, executed and entered a sublease, dated as of July 1, 1998 (as heretofore amended or supplemented, the "Original Sublease"), pursuant to the provisions of which the Authority leased the Leased Property back to the City; and

WHEREAS, under and pursuant to the provisions of the Original Sublease, the City has been obligated to make rental payments (the "Base Rental Payments") to the Authority for the rental of the Leased Property; and

WHEREAS, the Authority pledged its right to receive the Base Rental Payments to the Trustee under a Trust Agreement, dated as of July 1, 1998, by and between the Authority and the Trustee (as heretofore amended or supplemented, the "Original Trust Agreement"); and

WHEREAS, at the request and with the approval of the City pursuant to the provisions of Resolution No. 74285 C.M.S., adopted by the City Council on June 9, 1998, and pursuant to the provisions of the Authority's Resolution No. 98-01 J.P.F.A., adopted by the Authority on June 9, 1998, the Authority authorized and issued its Lease Revenue Bonds, 1998 Series A (the "Prior Bonds"), in an aggregate principal amount of \$187,500,000, and secured by the Base Rental Payments payable by the City to the Authority; and

WHEREAS, pursuant to the provisions of Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as amended (the "Refunding Law"), the Authority desires to refund and retire the outstanding Prior Bonds in accordance with their terms and the terms of the Original Trust Agreement by authorizing and issuing, in one or more series, revenue bonds of the Authority (the "Bonds") in an aggregate principal amount not to exceed \$178,000,000, to be secured by the Base Rental Payments to be payable by the City to the Authority under and pursuant to the provisions of that certain Amended and Restated Sublease, dated as of June 1, 2005 (as amended and restated from time to time, the "Sublease"), pursuant to the provisions of which the Authority will continue to lease the Leased Property back to the City; and

WHEREAS, in order to provide for the transactions contemplated by and provided in the Sublease, the Authority desires to enter into that certain Amended and Restated Lease with the City (as amended and restated from time to time, the "Lease"), dated as of June 1, 2005, pursuant to the provisions of which the City, as lessor, continues to lease the Leased Property to the Authority; and

WHEREAS, pursuant to the provisions of that certain Trust Agreement, dated as of June 1, 2005 (the "Trust Agreement"), between the Authority and BNY Western Trust Company (or such other entity named as trustee therein), as trustee (the "Trustee"), the Authority desires to issue the Bonds and pledge its right to receive the Base Rental Payments to the Trustee on the terms and subject to the conditions described therein; and

WHEREAS, there have been submitted and are on file with the City Clerk proposed forms of the Lease, the Sublease, the Trust Agreement, an Official Statement with respect to the Bonds, a Purchase Contract (the "Purchase Contract"), by and among the Authority, the City and Morgan Stanley & Co. Incorporated, as Representative of itself and Backstrom McCarley Berry & Co., LLC, as underwriters of the Bonds (the "Underwriters"); and

WHEREAS, the provisions of Act, the Joint Powers Agreement and the Refunding Law further authorize the Authority to sell the Bonds at a negotiated sale; and

WHEREAS, the issuance of the Bonds by the Authority and the execution and delivery of the Lease and Sublease will result in significant public benefits through demonstrable savings in the effective interest rates and bond issuance costs expected to be paid with proceeds of the Bonds, and it furthers the public purpose for the Authority to assist in such financing;

NOW, THEREFORE, BE IT RESOLVED by the governing board of the Oakland Joint Powers Authority as follows:

Section 1. All of the recitals set forth above are true and correct, and the Authority so finds and determines.

Section 2. The issuance and sale of the Bonds by the Authority, in an aggregate principal amount not to exceed \$178,000,000, are hereby approved.

Section 3. The officers of the Authority are hereby authorized to obtain bond insurance for the Bonds and a reserve fund surety bond.

Section 4. The proposed form of Trust Agreement, on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The President, Vice President, Executive Director of the Authority or a designee of any such official are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee a trust agreement in substantially said form, with such changes therein as such officer or his or her designee may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates (not to exceed January 1, 2036), interest rate or rates (subject to a maximum rate of seven percent (7%) per annum except as otherwise provided in the Trust Agreement), method of determining such rates, tax-exempt or taxable status of interest on the Bonds, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in said trust agreement, as finally executed.

Section 5. The proposed form of Lease, on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The President, Vice President, Executive Director of the Authority or a designee of any such official is hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver a lease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The proposed form of Sublease, on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The President, Vice President, Executive Director of the Authority or a designee of any such official are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver a sublease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of Purchase Contract, by and among the Authority, the City and the Underwriters, on file with the Secretary of the Authority and incorporated into this Resolution by reference, are hereby approved. The President, Vice President, Executive Director of the Authority or a designee of any such official is hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver a purchase contract in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the underwriting discount (not including original issue discount) shall not exceed 2% of the aggregate principal amount of the Bonds.

Section 8. The proposed form of Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), on file with the Secretary of the Authority, is hereby approved. The President, Vice President, Executive Director of the Authority or a designee of any such official are hereby authorized and directed, for and in the name and on behalf of the Authority, to deliver such Preliminary Official Statement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof and to determine that such Preliminary Official Statement is "deemed final" by the Authority for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), but is subject to revision, amendment and completion in a final Official Statement (the "Official Statement") and to execute a certificate to such effect. Distribution by the Underwriters of a preliminary Official Statement relating to the Bonds is hereby approved. The Official Statement in substantially said form, with such changes as the President, Vice President, Executive Director of the Authority or a designee of any such official may approve (including all information previously permitted under the Rule to be omitted from the Preliminary Official Statement), which approval shall be conclusively evidenced by execution thereof by the President, Vice President, Executive Director of the Authority or a designee of any such official and delivery thereof to the Underwriters within seven business days after the sale of the Series 2005 A Bonds, is hereby approved.

Section 9. The Bonds in an aggregate principal amount not to exceed \$178,000,000 shall be executed by the facsimile signature of the President of the Authority and shall be countersigned by the facsimile signature of the Secretary of the Authority in the form set forth and otherwise in accordance with the provisions of the Trust Agreement.

Section 10. The President, Vice President, Executive Director, Treasurer, Secretary and other appropriate officers of the Authority or a designee of any such official are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds, the execution and delivery of the documents mentioned herein and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby, including but not limited to obtaining bond insurance and a reserve fund surety bond (if determined by such official to be in the economic interest of the City), and to execute and deliver any amendments to any of the documents mentioned herein or authorized hereby as such officer or designee may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions contemplated hereby are hereby ratified, confirmed and approved.

Section 12. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 17th day of May, 2005.

PASSED BY THE FOLLOWING VOTE:

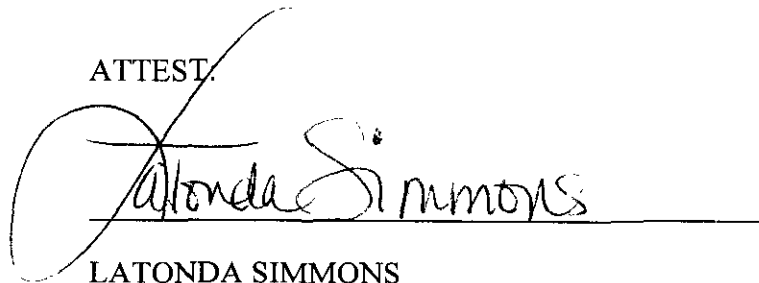
AYES: 7 { **BROOKS, BRUNNER, CHANG,
NADEL, REID, QUAN, ~~WAY~~**

NOES: 0

ABSENT: 0

ABSTENTION: 0

ATTEST.



LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California