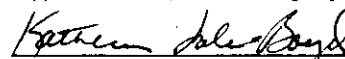


2012 MAY 10 3:10

Approved as to Form and Legality


City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$250,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF OAKLAND, CALIFORNIA TAXABLE PENSION OBLIGATION BONDS, SERIES 2012 FOR THE CITY OF OAKLAND POLICE AND FIRE RETIRMENT SYSTEM (PFRS); PRESCRIBING THE TERMS OF SALE OF SAID BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL TRUST AGREEMENT, FUNDING AGREEMENT, PENSION OBLIGATION DEBENTURE, CONTINUING DISCLOSURE CERTIFICATE AND BOND PURCHASE CONTRACT; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; AND AUTHORIZING NECESSARY ACTIONS RELATED THERETO.

WHEREAS, in 1997, the City of Oakland (the "City"), in accordance with the City Charter, enacted Chapter 4.44 of the Municipal Code of the City of Oakland (the "Financing Program") to establish a program for the financing and refinancing of the City's obligations to its Police and Fire Retirement System (the "System"); and

WHEREAS, the City by execution and delivery of a Master Trust Agreement dated as of February 1, 1997 (the "Master Trust Agreement"), as supplemented by a First Supplemental Trust Agreement dated as of February 1, 1997 (the "First Supplemental Trust Agreement") by and between the City and The Bank of New York Mellon Trust Company, N.A. (the "Trustee") as successor trustee to The Chase Manhattan Bank, Houston, Texas, successor trustee to Texas Commerce Bank National Association, pursuant to the provisions of the Financing Program, issued its \$436,289,659.15 City of Oakland, Taxable Pension Obligation Bonds, Series 1997, Sub-series A and Sub-series B (the "1997 Bonds"); and

WHEREAS, the City by execution and delivery of a Second Supplemental Trust Agreement dated as of September 1, 2001 (collectively with the Master Trust Agreement and the First Supplemental Trust Agreement, the "Trust Agreement") by and between the City and the Trustee, issued \$195,636,449.10 City of Oakland, Taxable Pension Obligation Bonds, Series 2001 (collectively with the 1997 Bonds, the "Prior Bonds"); and

WHEREAS, the City desires to evidence its obligation to pay all or a portion of its unfunded accrued actuarial liability by issuing a debenture (the "Pension Obligation Debenture") to the System; and

WHEREAS, the Trust Agreement provides for the issuance of additional bonds;
and

WHEREAS, the City wishes to issue additional bonds under the Trust Agreement by the execution and delivery of a Third Supplemental Trust Agreement in compliance with the provisions of the Master Trust Agreement (the "Third Supplemental Trust Agreement"); and

WHEREAS, the Third Supplemental Trust Agreement shall set forth the terms and provisions relating to the issuance of the City of Oakland, California Taxable Pension Obligation Bonds, Series 2012 (the "Series 2012 Bonds"), shall provide for the application of the proceeds of the Series 2012 Bonds, including the refunding of the Pension Obligation Debenture, and shall set forth other terms and provisions relating to the Series 2012 Bonds; and

WHEREAS, the City has authorized the issuance of the Series 2012 Bonds pursuant to Ordinance No. ____ C.M.S., adopted on _____, 2012; and

WHEREAS, the 1997 Bonds, the Trust Agreement, and additional series of bonds, among other things, were voided pursuant to the laws of the State of California by a default judgment rendered on January 3, 1997, by the Superior Court of the County of Alameda in the action entitled City of Oakland v. All Persons, Case No. 772719-7; and

WHEREAS, there have been submitted and are on file with the City Clerk proposed forms of the Third Supplemental Trust Agreement, a funding agreement (the "Funding Agreement"), by and between the City and the System; the Pension Obligation Debenture; a continuing disclosure certificate (the "Continuing Disclosure Certificate"); an official statement (the "Official Statement"); and a bond purchase contract (the "Bond Purchase Contract"), by and between the City and RBC Capital Markets, LLC, on behalf of itself and as representative of Siebert Brandford Shank & Co., LLC and Blaylock Robert Van, LLC, as the other underwriters of the Series 2012 Bonds (collectively, the "Underwriters"), all with respect to the Series 2012 Bonds proposed to be issued and sold; and now therefore be it

RESOLVED: that all of the above recitals are true and correct; and be it

FURTHER RESOLVED: that the proposed form of Third Supplemental Trust Agreement, on file with the City Clerk, is hereby approved. The City Administrator or the Assistant City Administrator, or a designee of either such official, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Third Supplemental Trust Agreement, substantially in such form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution thereof; and be it

FURTHER RESOLVED: that the proposed form of Funding Agreement, on file with the City Clerk, is hereby approved. The City Administrator or the Assistant City Administrator, or a designee of either such official, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Funding Agreement, substantially in such form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution thereof; and be it

FURTHER RESOLVED: that the proposed form of Pension Obligation Debenture, on file with the City Clerk, is hereby approved. The City Administrator or the Assistant City Administrator, or a designee of either such official, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Pension Obligation Debenture to the System, substantially in such form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution thereof; and be it

FURTHER RESOLVED: that the proposed form of Bond Purchase Contract, on file with the City Clerk, is hereby approved. The City Administrator or the Assistant City Administrator, or a designee of either such official, is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Bond Purchase Contract, substantially in such form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution thereof; provided, however, that the underwriters' discount (exclusive of original issue discount) shall not exceed 0.425% of the aggregate principal amount of the Series 2012 Bonds; and be it

FURTHER RESOLVED: that the preparation and distribution of a Preliminary Official Statement relating to the Series 2012 Bonds (the "Preliminary Official Statement"), in substantially the form and substance on file with the City Clerk, is hereby ratified and approved. The City Administrator or the Assistant City Administrator, or a designee of either such official, is authorized to deem such Preliminary Official Statement "final" for purposes of Securities and Exchange Commission Rule 15c2-12, and is further authorized to approve the final Official Statement with such changes therein, deletions therefrom and modifications thereto, such approval to be conclusively evidenced by the execution and delivery thereof by such officer; and be it

FURTHER RESOLVED: that the City hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate to be executed by the City and dated the date of issuance and delivery of the Series 2012 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section. Noncompliance with this Section shall not result in any default with respect to the Series 2012 Bonds or the acceleration of the Series 2012 Bonds; and be it

FURTHER RESOLVED: that Public Resources Advisory Group, is hereby appointed to serve as financial advisor, Orrick, Herrington & Sutcliffe LLP is hereby appointed to serve as bond counsel and the Law Offices of Alexis S. M. Chiu is hereby appointed to serve as disclosure counsel in connection with the issuance of the Series 2012 Bonds; and be it

FURTHER RESOLVED: that the City Administrator or the Assistant City Administrator, or a designee of either such official, and other appropriate officers of the City are hereby authorized and directed, jointly and severally, 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 execution and delivery of the documents mentioned herein and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby; and be it

FURTHER RESOLVED: that all actions heretofore taken by the officers and agents of the City Council with respect to the transactions contemplated hereby are hereby ratified, confirmed and approved; and be it

FURTHER RESOLVED: that this Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA _____, 20__.

PASSED BY THE FOLLOWING VOTE:

AYES - DE LA FUENTE, KERNIGHAN, NADEL, SCHAAF, BROOKS, BRUNNER, KAPLAN, AND PRESIDENT REID

NOES -

ABSENT: -

ABSTENTION: -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council of the
City of Oakland, California