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OAKLAND

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Approved as to Form and Legality


Oakland City Attorney's Office

OAKLAND CITY COUNCIL

81128
RESOLUTION NO. _____ C.M.S.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLAND APPROVING THE ISSUANCE BY THE OAKLAND JOINT POWERS FINANCING AUTHORITY OF NOT TO EXCEED \$137,000,000 AGGREGATE PRINCIPAL AMOUNT OF REFUNDING REVENUE BONDS IN TWO OR MORE SERIES TO REFUND THE AUTHORITY'S OUTSTANDING REFUNDING REVENUE BONDS, 2005 SERIES A-1 (AUCTION RATE SECURITIES) (TAX-EXEMPT BONDS), 2005 SERIES A-2 (AUCTION RATE SECURITIES) (TAX-EXEMPT BONDS) AND 2005 SERIES B (AUCTION RATE SECURITIES) (TAXABLE BONDS); AUTHORIZING EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LEASE AND AMENDED AND RESTATED SUBLEASE; AND AUTHORIZING EXECUTION OF DOCUMENTS AND THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE REFUNDING FINANCING WITH THE OAKLAND JOINT POWERS FINANCING AUTHORITY

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 an Amended and Restated Lease (as heretofore amended and supplemented, the "2005 Lease"), dated as of June 1, 2005, pursuant to the provisions of which the City, as lessor, continued to lease 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 an Amended and Restated Sublease, dated as of June 1, 2005 (as heretofore

amended and supplemented, the "2005 Sublease"), pursuant to the provisions of which the Authority continued to lease the Leased Property back to the City; and

WHEREAS, under and pursuant to the provisions of the 2005 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 June 1, 2005, by and between the Authority and the Trustee (as heretofore amended and supplemented, the "2005 Trust Agreement"); and

WHEREAS, at the request and with the approval of the City pursuant to the provisions of Resolution No. 79220 C.M.S., adopted by the City Council on April 28, 2005, the Authority authorized and issued its Refunding Revenue Bonds, 2005 Series A-1 (Auction Rate Securities) (Tax-Exempt Bonds), 2005 Series A-2 (Auction Rate Securities) (Tax-Exempt Bonds) and 2005 Series B (Auction Rate Securities) (Taxable Bonds) (collectively, the "Prior Bonds"), in an aggregate principal amount of \$144,950,000, 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 City desires to request and approve the Authority's refunding and retirement of the outstanding Prior Bonds in accordance with their terms and the terms of the 2005 Trust Agreement by authorizing and issuing, in two or more series, revenue bonds of the Authority (the "Bonds") in an aggregate principal amount not to exceed \$137,000,000, 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 April 1, 2008 (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 City desires to enter into that certain Amended and Restated Lease with the Authority (as amended and restated from time to time, the "Lease"), dated as of April 1, 2008, 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 Indenture, dated as of April 1, 2008 (the "Indenture"), between the Authority and The Bank of New York Trust Company, N.A. (or such other entity as may be trustee thereunder), as 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 Indenture, a Preliminary Official Statement with respect to the Bonds, a Purchase Contract (the "Purchase Contract"), by and among the Authority, the City and RBC Capital Markets Corporation as underwriter of the Bonds (the "Underwriter"); 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, and it furthers the public purpose for the Authority to assist in such financing; now, therefore, be it

RESOLVED, the City Council of the City of Oakland hereby finds, determines, declares and resolves as follows:

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

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority, in an aggregate principal amount not to exceed \$137,000,000, pursuant to the Indenture, the proposed form of which is hereby approved with such changes therein as may be made by the Authority.

Section 3. The proposed form of Lease, on file with the City Clerk, is hereby approved. The City Administrator or a designee of such official is hereby authorized and directed, for and in the name and on behalf of the City, 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; provided, however, that the term of said lease shall end no later than January 1, 2036.

Section 4. The proposed form of Sublease, on file with the City Clerk, is hereby approved. The City Administrator or a designee of such official is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver a sublease in substantially said form, with such changes therein as such officer may require or approve, including but not limited to determination of the schedule of rental payments and the insurance required to be maintained, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of said lease shall end no later than January 1, 2036.

Section 5. The proposed form of Purchase Contract with the Authority and the Underwriter, on file with the City Clerk, is hereby approved. The City Administrator or a designee of such official is hereby authorized and directed, for and in the name and on behalf of the City, 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.

Section 6. The proposed form of Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"), on file with the City Clerk, is hereby approved. The City Administrator or a designee of such official is hereby authorized and directed, for and in the name and on behalf of the City, to deliver such Preliminary Offi-

cial 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 City 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 Underwriter of a Preliminary Official Statement relating to the Bonds is hereby approved. The Official Statement in substantially said form, with such changes as the City Administrator, or designee, 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 City Administrator or designee of the Official Statement and delivery thereof to the Underwriter(s) within seven business days after the sale of the Bonds, is hereby approved.

Section 7. The City Administrator or a designee of such official is hereby authorized on behalf of the City to execute and deliver a Continuing Disclosure Certificate containing such covenants of the City as shall be necessary to comply with the requirements of the Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate.

Section 8. The City Administrator or a designee thereof is hereby authorized to enter into an agreement with Public Financial Management, Inc., as financial advisor in connection with the Bonds, and to pay all costs of issuance of the Bonds.

Section 9. The City Administrator 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, 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 may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 10. 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.

Section 11. This Resolution shall take effect from and after its adoption and approval.

IN COUNCIL, OAKLAND, CALIFORNIA MAR 18 2008, 2008

PASSED BY THE FOLLOWING VOTE:

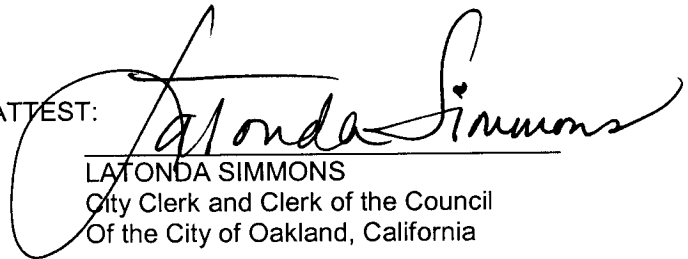
AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID. KERNIGHAN and PRESIDENT DE LA FUENTE - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:



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