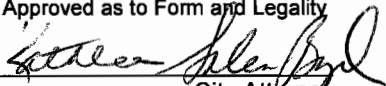


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Approved as to Form and Legality


City Attorney

OAKLAND CITY COUNCIL

- - 13 128 - -
ORDINANCE NO. _____ C.M.S.

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF OAKLAND, CALIFORNIA TAXABLE PENSION OBLIGATION BONDS, SERIES 2012 FOR THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (PFRS) AND APPROVING CERTAIN RELATED MATTERS

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, California 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, California 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 City wishes to authorize the issuance of additional bonds (the "Series 2012 Bonds"), and the Trust Agreement provides for the issuance of additional bonds, for the purpose of refunding the Pension Obligation Debenture; and

WHEREAS, on June 8, 1976, the voters of the City approved "Measure R", and on June 7, 1988 approved "Measure O," which amended various sections of the City Charter relating to the amortization of the City's unfunded accrued actuarial liability to the System; and

WHEREAS, the City has levied a tax override to pay certain amounts due from time to time with respect to the Prior Bonds and is authorized by the terms of the Trust Agreement to apply the proceeds of the tax override to pay any additional bonds issued pursuant to the Program in the future from time to time, including the Series 2012 Bonds approved for issuance hereby; and

WHEREAS, the 1997 Bonds, the Trust Agreement, and additional series of bonds, among other things, were validated 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 now therefore

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

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

Section 2. Authorization of Series 2012 Bonds. This Council hereby authorizes and approves the issuance of the Series 2012 Bonds in an aggregate principal amount not to exceed \$250,000,000 and hereby authorizes and directs the City Administrator to execute (by manual or facsimile signature) the Series 2012 Bonds, and the City Clerk to affix and attest the seal of the City and to cause the Series 2012 Bonds to be authenticated and delivered in accordance with the Trust Agreement. The proceeds of the Series 2012 Bonds shall be applied to refund the Pension Obligation Debenture and to pay costs of issuance of the Series 2012 Bonds. The Series 2012 Bonds may be issued in a single series or in two or more series. The true interest cost for the Series 2012 Bonds shall not exceed 6.0% per annum and the final maturity date or dates of the Series 2012 Bonds shall be not later than December 15, 2025. The Series 2012 Bonds shall be in substantially the form set forth in a supplemental trust agreement, with such changes therein, deletions therefrom and additions thereto as the City Administrator or the Assistant City Administrator, or a designee of either such official, and the City Attorney, shall approve, such approval to be conclusively evidenced by the execution and delivery of the Series 2012 Bonds.

Section 3. Sale of Series 2012 Bonds; Ancillary Agreements. (a) The agreements relating to the issuance and sale of the Series 2012 Bonds, including but not limited to a Third Supplemental Trust Agreement, Funding Agreement, Pension Obligation Debenture, Continuing Disclosure Certificate, Official Statement and Bond Purchase Contract, shall be approved by resolution of the Council.

(b) 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 do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents without returning to Council, whether before or after the issuance of the Series 2012 Bonds, including but not limited to those described in the Trust Agreement, which they may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Series 2012 Bonds.

Section 4. Effective Date. This Ordinance shall be effective immediately, if passed by the affirmative vote of at least six City Council members; if this ordinance is passed by the affirmative vote of five City Councilmembers it will be effective seven days after final passage.

IN COUNCIL, OAKLAND, CALIFORNIA, JUN 28 2012 2012

PASSED BY THE FOLLOWING VOTE:

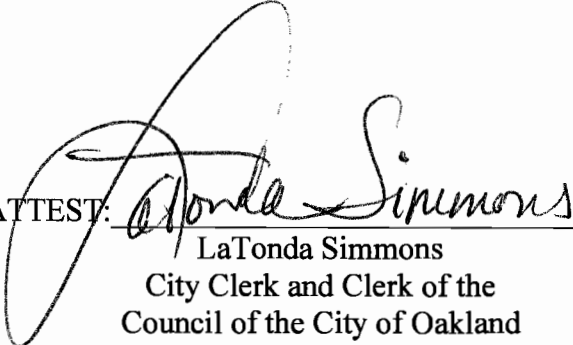
AYES - BROOKS, BRUNNER, ~~DE LA PUENTE~~, KAPLAN,
KERNIGHAN, NADEL, ~~SCHAUF~~, and PRESIDENT REID - 6

NOES - Schauf, De La Puente - 2

ABSENT - 0

ABSTENTION - 0

ATTEST:


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

Introduction Date JUN 19 2012

§ _____
CITY OF OAKLAND, CALIFORNIA
TAXABLE PENSION OBLIGATION BONDS, SERIES 2012

Certified Copy of the Ordinance
Adopted on _____, 2012

I, LaTonda Simmons, hereby certify that I am the City Clerk of the City of Oakland, California (the "City"), a political subdivision organized and existing under and by virtue of the laws of the State of California and that as such I am authorized to execute this Certificate on behalf of the City.

I hereby further certify that attached hereto is a true, correct and complete copy of an ordinance which was duly adopted by the City Council of the City at a meeting thereof which was duly called and held on _____ 2012, and at such meeting a quorum was present and acting throughout, and that said Ordinance No. _____ C.M.S. has not been modified, amended, rescinded or revoked since the date of adoption and is now in full force and effect.

Dated: _____, 2012.

CITY OF OAKLAND, CALIFORNIA

By: _____
LaTonda Simmons, City Clerk and
Clerk of the Council of the
City of Oakland